

106TH CONGRESS
1ST SESSION

S. 12

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BROWNBACK, Mr. NICKLES, Mr. ABRAHAM, Mr. BURNS, Mr. COVERDELL, Mr. COCHRAN, Mr. CRAPO, Mr. FRIST, Mr. HELMS, Mr. HAGEL, Mr. KYL, Mr. MACK, Mr. McCONNELL, Mr. SESSIONS, and Mr. ALLARD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Marriage Tax Penalty Elimination Act of 1999”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986 .

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN INDIVIDUAL INCOME TAX RATES.

(a) GENERAL RULE.—Section 1 (relating to tax imposed) is amended by striking subsections (a) through (e) and inserting the following:

“(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

“(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

“(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

“If taxable income is:	The tax is:
Not over \$50,700	15% of taxable income.

“If taxable income is:

Over \$50,700 but not over
\$122,800.
Over \$122,800 but not over
\$256,200.
Over \$256,200 but not over
\$556,900.
Over \$556,900

The tax is:

\$7,605, plus 28% of the excess over
\$50,700.
\$27,793, plus 31% of the excess over
\$122,800.
\$69,147, plus 36% of the excess over
\$256,200.
\$177,399, plus 39.6% of the excess
over \$556,900.

1 “(b) HEADS OF HOUSEHOLDS.—There is hereby im-
2 posed on the taxable income of every head of a household
3 (as defined in section 2(b)) a tax determined in accordance
4 with the following table:

“If taxable income is:

Not over \$33,950
Over \$33,950 but not over
\$87,700.
Over \$87,700 but not over
\$142,000.
Over \$142,000 but not over
\$278,450.
Over \$278,450

The tax is:

15% of taxable income.
\$5,092.50, plus 28% of the excess
over \$33,950.
\$20,142.50, plus 31% of the excess
over \$87,700.
\$36,975.50, plus 36% of the excess
over \$142,000.
\$86,097.50, plus 39.6% of the excess
over \$278,450.

5 “(c) OTHER INDIVIDUALS.—There is hereby imposed
6 on the taxable income of every individual (other than an
7 individual to whom subsection (a) or (b) applies) a tax
8 determined in accordance with the following table:

“If taxable income is:

Not over \$25,350
Over \$25,350 but not over
\$61,400.
Over \$61,400 but not over
\$128,100.
Over \$128,100 but not over
\$278,450.
Over \$278,450

The tax is:

15% of taxable income.
\$3,802.50, plus 28% of the excess
over \$25,350.
\$13,896.50, plus 31% of the excess
over \$61,400.
\$34,573.50, plus 36% of the excess
over \$128,100.
\$88,699.50, plus 39.6% of the excess
over \$278,450.

9 “(d) ESTATES AND TRUSTS.—There is hereby im-
10 posed on the taxable income of—
11 “(1) every estate, and

“(2) every trust,
taxable under this subsection a tax determined in accord-
ance with the following table:

“If taxable income is:	The tax is:
Not over \$1,700	15% of taxable income.
Over \$1,700 but not over \$4,000 ..	\$255, plus 28% of the excess over \$1,700.
Over \$4,000 but not over \$6,100 ..	\$899, plus 31% of the excess over \$4,000.
Over \$6,100 but not over \$8,350 ..	\$1,550, plus 36% of the excess over \$6,100.
Over \$8,350	\$2,360, plus 39.6% of the excess over \$8,350.”.

(b) INFLATION ADJUSTMENT TO APPLY IN DETER-
MINING RATES FOR 2000.—Subsection (f) of section 1 is
amended—

(1) by striking “1993” in paragraph (1) and in-
serting “1999”,

(2) by striking “1992” in paragraph (3)(B) and
inserting “1997”, and

(3) by striking paragraph (7).

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended
by striking “1992” and inserting “1997” each place
it appears:

(A) Section 25A(h).

(B) Section 32(j)(1)(B).

(C) Section 41(e)(5)(C).

(D) Section 68(b)(2)(B).

(E) Section 135(b)(2)(B)(ii).

- 1 (F) Section 151(d)(4).
- 2 (G) Section 221(g)(1)(B).
- 3 (H) Section 512(d)(2)(B).
- 4 (I) Section 513(h)(2)(C)(ii).
- 5 (J) Section 877(a)(2).
- 6 (K) Section 911(b)(2)(D)(ii)(II).
- 7 (L) Section 4001(e)(1)(B).
- 8 (M) Section 4261(e)(4)(A)(ii).
- 9 (N) Section 6039F(d).
- 10 (O) Section 6334(g)(1)(B).
- 11 (P) Section 7430(c)(1).

12 (2) Subclause (II) of section 42(h)(6)(G)(i) is
 13 amended by striking “1987” and inserting “1997”.

14 (3) Subparagraph (B) of section 59(j)(2) is
 15 amended by striking “, determined by substituting
 16 ‘1997’ for ‘1992’ in subparagraph (B) thereof”.

17 (4) Subparagraph (B) of section 132(f)(6) is
 18 amended by inserting before the period “, deter-
 19 mined by substituting ‘calendar year 1992’ for ‘cal-
 20 endar year 1997’ in subparagraph (B) thereof”.

21 (5) Paragraph (2) of section 220(g) of such
 22 Code is amended by striking “by substituting ‘cal-
 23 endar year 1997’ for ‘calendar year 1992’ in sub-
 24 paragraph (B) thereof”.

1 (6) Subparagraph (B) of section 685(c)(3) is
2 amended by striking “, by substituting ‘calendar
3 year 1997’ for ‘calendar year 1992’ in subparagraph
4 (B) thereof”.

5 (7) Subparagraph (B) of section 2032A(a)(3) is
6 amended by striking “by substituting ‘calendar year
7 1997’ for ‘calendar year 1992’ in subparagraph (B)
8 thereof”.

9 (8) Subparagraph (B) of section 2503(b)(2) is
10 amended by striking “by substituting ‘calendar year
11 1997’ for ‘calendar year 1992’ in subparagraph (B)
12 thereof”.

13 (9) Paragraph (2) of section 2631(c) is amend-
14 ed by striking “by substituting ‘calendar year 1997’
15 for ‘calendar year 1992’ in subparagraph (B) there-
16 of”.

17 (10) Subparagraph (B) of section 6601(j)(3) is
18 amended by striking “by substituting ‘calendar year
19 1997’ for ‘calendar year 1992’ in subparagraph (B)
20 thereof”.

21 (11) Sections 468B(b)(1), 511(b)(1), 641(a),
22 641(d)(2)(A), and 685(d) are each amended by
23 striking “section 1(e)” each place it appears and in-
24 serting “section 1(d)”.

1 (12) Sections 1(f)(2) and 904(b)(3)(E)(ii) are
 2 each amended by striking “(d), or (e)” and inserting
 3 “or (d)”.

4 (13) Paragraph (1) of section 1(f) is amended
 5 by striking “(d), and (e)” and inserting “and (d)”.

6 (d) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years beginning after
 8 December 31, 1999.

9 **SEC. 3. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
 10 **ARD DEDUCTION.**

11 (a) IN GENERAL.—Paragraph (2) of section 63(c)
 12 (relating to standard deduction) is amended to read as fol-
 13 lows:

14 “(2) BASIC STANDARD DEDUCTION.—For pur-
 15 poses of paragraph (1), the basic standard deduction
 16 is—

17 “(A) \$8,500 in the case of—

18 “(i) a joint return, or

19 “(ii) a surviving spouse (as defined in
 20 section 2(a)),

21 “(B) \$6,250 in the case of a head of
 22 household (as defined in section 2(b)), or

23 “(C) \$4,250 in any other case.”

24 (b) TECHNICAL AMENDMENTS.—

1 (1) Paragraph (4) of section 63(c) is amended
2 to read as follows:

3 “(4) ADJUSTMENTS FOR INFLATION.—In the
4 case of any taxable year beginning in a calendar
5 year after 1999, each dollar amount contained in
6 paragraph (2) or (5) or subsection (f) shall be in-
7 creased by an amount equal to—

8 “(A) such dollar amount, multiplied by

9 “(B) the cost-of-living adjustment deter-
10 mined under section 1(f)(3) for the calendar
11 year in which the taxable year begins.”

12 (2) Subparagraph (A) of section 63(c)(5) is
13 amended by striking “\$500” and inserting “\$700”.

14 (3) Subsection (f) of section 63 is amended by
15 striking “\$600” each place it appears and inserting
16 “\$850” and by striking “\$750” in paragraph (3)
17 and inserting “\$1,050”.

18 (4) Subparagraph (B) of section 1(f)(6) is
19 amended by striking “subsection (c)(4) of section 63
20 (as it applies to subsections (c)(5)(A) and (f) of such
21 section)” and inserting “section 63(c)(4)”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 1999.

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