

107TH CONGRESS
2D SESSION

H. R. 3757

To freeze and repeal portions of the tax cut enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 and to apply savings therefrom to a comprehensive Medicare outpatient prescription drug benefit.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2002

Mr. WEXLER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To freeze and repeal portions of the tax cut enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 and to apply savings therefrom to a comprehensive Medicare outpatient prescription drug benefit.

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.**

4 This Act may be cited as the “Honor Thy Parents
5 Act of 2002”.

1 **SEC. 2. FREEZE AND REPEAL OF PORTIONS OF THE TAX**
2 **CUT ENACTED IN THE ECONOMIC GROWTH**
3 **AND TAX RELIEF RECONCILIATION ACT OF**
4 **2001.**

5 (a) FREEZE IN REDUCTIONS OF TOP 3 INCOME TAX
6 RATES FOR INDIVIDUALS.—The table in paragraph (2) of
7 section 1(i) of the Internal Revenue Code of 1986 (relating
8 to reductions in rates after June 30, 2001) is amended
9 to read as follows:

“In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2001	27.5%	30.5%	35.5%	39.1%
2002 and 2003	27.0%	30.0%	35.0%	38.6%
2004 and 2005	26.0%	30.0%	35.0%	38.6%
2006 and thereafter	25.0%	30.0%	35.0%	38.6%.”.

10 (b) REPEAL OF MODIFICATIONS TO PHASEOUT OF
11 PERSONAL EXEMPTIONS AND OVERALL LIMITATION ON
12 ITEMIZED DEDUCTIONS.—Sections 102 and 103 of the
13 Economic Growth and Tax Relief Reconciliation Act of
14 2001 (and the amendments made by such sections) are
15 hereby repealed and the Internal Revenue Code of 1986
16 shall be applied and administered as if such sections had
17 never been enacted.

18 (c) REPEAL OF CERTAIN ESTATE, GIFT, AND GEN-
19 ERATION-SKIPPING TRANSFER TAX PROVISIONS.—

20 (1) IN GENERAL.—The following provisions of
21 title V of the Economic Growth and Tax Relief Rec-

onciliation Act of 2001 (and the amendments made by such subtitle) are hereby repealed and the Internal Revenue Code of 1986 shall be applied and administered as if such provisions had never been enacted:

(A) Subtitle A.

(B) Subsections (c), (d), (e), (f)(2), and (f)(3) of section 511.

(C) Subsections (b)(2) and (e)(2) of section 521.

(D) Subtitle E.

(2) INCREASE IN APPLICABLE EXCLUSION AMOUNT.—Subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

“In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 and 2003	\$1,000,000
2004 and 2005	\$1,500,000
2006, 2007, and 2008	\$2,000,000
2009	\$3,500,000
2010 and thereafter	\$4,000,000.”.

(3) CONFORMING AMENDMENT.—Section 521(e) of the Economic Growth and Tax Relief Reconciliation Act of 2001 (as amended by paragraph (1)) is further amended—

1 (A) in paragraph (1) by striking “para-
 2 graphs (2) and (3)” and inserting “paragraph
 3 (2)”, and

4 (B) by redesignating paragraph (3) as
 5 paragraph (2).

6 **SEC. 3. TRANSFER OF SAVINGS TO MEDICARE PROGRAM**
 7 **TO OFFSET COSTS OF PRESCRIPTION DRUG**
 8 **BENEFIT.**

9 (a) TRANSFER TO FEDERAL HOSPITAL INSURANCE
 10 TRUST FUND.—Section 1817(a) of the Social Security
 11 Act (42 U.S.C. 1395i(a)) is amended—

12 (1) by striking “and” at the end of paragraph
 13 (1),

14 (2) by striking the period at the end of para-
 15 graph (2) and inserting “; and”, and

16 (3) by inserting after paragraph (2) the fol-
 17 lowing new paragraph:

18 “(3) amounts estimated by the Secretary of the
 19 Treasury that would have been paid from the gen-
 20 eral fund of the Treasury but for the amendments
 21 and repeals made by section 2 of the Honor Thy
 22 Parents Act of 2002.”.

23 (b) ESTABLISHMENT OF SEPARATE ACCOUNT FOR
 24 OUTPATIENT PRESCRIPTION DRUG BENEFIT.—Section

1 1817 of such Act (42 U.S.C. 1395i) is amended by adding
2 at the end the following new subsection:

3 “(l) OUTPATIENT PRESCRIPTION DRUG ACCOUNT.—

4 “(1) ESTABLISHMENT.—There is hereby estab-
5 lished in the Trust Fund an expenditure account to
6 be known as the ‘Outpatient Prescription Drug Ac-
7 count’.

8 “(2) CREDITING OF FUNDS.—The Managing
9 Trustee shall credit to the Outpatient Prescription
10 Drug Account such amounts as may be deposited in
11 the Trust Fund pursuant to subsection (a)(3).

12 “(3) USE OF FUNDS.—Funds credited to the
13 Outpatient Prescription Drug Account may only be
14 used to pay for outpatient prescription drugs fur-
15 nished under this title.”.

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