

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2002

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

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## 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:

<b>“In the case of taxable years beginning during calendar year:</b>	<b>The corresponding percentages shall be substituted for the following percentages:</b>			
	<b>28%</b>	<b>31%</b>	<b>36%</b>	<b>39.6%</b>
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 15 hereby repealed and the Internal Revenue Code of 1986  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-

1       onciliation Act of 2001 (and the amendments made  
2       by such subtitle) are hereby repealed and the Inter-  
3       nal Revenue Code of 1986 shall be applied and ad-  
4       ministered as if such provisions had never been en-  
5       acted:

## 6 (A) Subtitle A.

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

9 (C) Subsections (b)(2) and (e)(2) of sec-  
10 tion 521.

11 (D) Subtitle E.

12 (2) INCREASE IN APPLICABLE EXCLUSION  
13 AMOUNT.—Subsection (c) of section 2010 of the In-  
14 ternal Revenue Code of 1986 (relating to applicable  
15 credit amount) is amended by striking the table and  
16 inserting the following new table:

<b>“In the case of estates of decedents dying during:</b>	<b>The applicable exclusion amount is:</b>
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.”

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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