

108TH CONGRESS  
2D SESSION

# H. R. 3773

To amend the Internal Revenue Code of 1986 to repeal the sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 and to repeal scheduled reductions in tax benefits provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2004

Mr. HULSHOF (for himself and Mr. RYAN of Wisconsin) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 and to repeal scheduled reductions in tax benefits provided by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

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 (a) SHORT TITLE.—This Act may be cited as the  
5 “Tax Relief Guarantee Act of 2004”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-  
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment  
 2 to, or repeal of, a section or other provision, the reference  
 3 shall be considered to be made to a section or other provi-  
 4 sion of the Internal Revenue Code of 1986.

5 **SEC. 2. REPEAL OF SUNSET OF THE ECONOMIC GROWTH**  
 6 **AND TAX RELIEF RECONCILIATION ACT OF**  
 7 **2001.**

8 Title IX of the Economic Growth and Tax Relief Rec-  
 9 onciliation Act of 2001 is hereby repealed.

10 **SEC. 3. REPEAL OF SCHEDULED REDUCTIONS IN TAX BEN-**  
 11 **EFITS PROVIDED BY THE JOBS AND GROWTH**  
 12 **TAX RELIEF RECONCILIATION ACT OF 2003.**

13 (a) CHILD TAX CREDIT.—Subsection (a) of section  
 14 24 (relating to child tax credit) is amended to read as fol-  
 15 lows:

16 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
 17 lowed as a credit against the tax imposed by this chapter  
 18 for the taxable year with respect to each qualifying child  
 19 of the taxpayer an amount equal to \$1,000.”

20 (b) MARRIAGE PENALTY RELIEF IN STANDARD DE-  
 21 Duction.—

22 (1) IN GENERAL.—Paragraph (2) of section  
 23 63(c) (relating to basic standard deduction) is  
 24 amended to read as follows:

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

4                   “(A) 200 percent of the dollar amount in  
 5                   effect under subparagraph (C) for the taxable  
 6                   year in the case of—

7                           “(i) a joint return, or

8                           “(ii) a surviving spouse (as defined in  
 9                           section 2(a)),

10                   “(B) \$4,400 in the case of a head of  
 11                   household (as defined in section 2(b)), or

12                   “(C) \$3,000 in any other case.”.

13           (2) CONFORMING AMENDMENTS.—

14                   (A) Section 63(c)(4) is amended by strik-  
 15                   ing “(2)(D)” each place it occurs and inserting  
 16                   “(2)(C)”.

17                   (B) Section 63(c) is amended by striking  
 18                   paragraph (7).

19           (c) MARRIAGE PENALTY RELIEF IN 15-PERCENT IN-  
 20           COME TAX BRACKET.—Paragraph (8) of section 1(f) is  
 21           amended to read as follows:

22                   “(8) ELIMINATION OF MARRIAGE PENALTY IN  
 23                   15-PERCENT BRACKET.—With respect to taxable  
 24                   years beginning after December 31, 2004, in pre-  
 25                   scribing the tables under paragraph (1)—

“(A) the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be 200 percent of the maximum taxable income in the 15-percent rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

“(B) the comparable taxable income amounts in the table contained in subsection (d) shall be  $\frac{1}{2}$  of the amounts determined under subparagraph (A).”

(d) 10-PERCENT RATE BRACKET.—

(1) IN GENERAL.—Clause (i) of section 1(i)(1)(B) is amended by striking “(\$12,000 in the case of taxable years beginning after December 31, 2004, and before January 1, 2008)”.

(2) INFLATION ADJUSTMENT.—Subparagraph (C) of section 1(i)(1) is amended to read as follows:

“(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2003—

1 “(i) the cost-of-living adjustment shall  
2 be determined under subsection (f)(3) by  
3 substituting ‘2002’ for ‘1992’ in subpara-  
4 graph (B) thereof, and

5 “(ii) the adjustments under clause (i)  
6 shall not apply to the amount referred to  
7 in subparagraph (B)(iii).

8 If any amount after adjustment under the pre-  
9 ceding sentence is not a multiple of \$50, such  
10 amount shall be rounded to the next lowest  
11 multiple of \$50.”

12 (e) PERMANENT REDUCTION IN CAPITAL GAINS  
13 RATES FOR INDIVIDUALS AND IN TAXATION OF DIVI-  
14 DENDS.—Section 303 of the Jobs and Growth Tax Relief  
15 Reconciliation Act of 2003 is hereby repealed.

16 (f) EXPENSING UNDER SECTION 179.—

17 (1) Paragraph (1) of section 179(b) is amended  
18 by striking “\$25,000 (\$100,000 in the case of tax-  
19 able years beginning after 2002 and before 2006)”  
20 and inserting “\$100,000”.

21 (2) Paragraph (2) of section 179(b) is amended  
22 by striking “\$200,000 (\$400,000 in the case of tax-  
23 able years beginning after 2002 and before 2006)”  
24 and inserting “\$400,000”.

25 (g) BONUS DEPRECIATION.—

1           (1) IN GENERAL.—So much of section 168(k)  
2       as precedes paragraph (2) is amended to read as fol-  
3       lows:

4       “(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY  
5 ACQUIRED AFTER MAY 5, 2003.—

6           “(1) ADDITIONAL ALLOWANCE.—In the case of  
7       any qualified property—

8           “(A) the depreciation deduction provided  
9       by section 167(a) for the taxable year in which  
10      such property is placed in service shall include  
11      an allowance equal to 50 percent of the ad-  
12      justed basis of the qualified property, and

13          “(B) the adjusted basis of the qualified  
14      property shall be reduced by the amount of  
15      such deduction before computing the amount  
16      otherwise allowable as a depreciation deduction  
17      under this chapter for such taxable year and  
18      any subsequent taxable year.”

19       (2) CONFORMING AMENDMENTS.—

20           (A) Subparagraph (A) of section 168(k)(2)  
21      is amended by striking clauses (ii), (iii), and  
22      (iv) and inserting the following new clauses:

23           “(ii) the original use of which com-  
24           mences with the taxpayer after May 5,  
25           2003, and

1 “(iii) which is acquired by the tax-  
2 payer after May 5, 2003, but only if no  
3 written binding contract for the acquisition  
4 was in effect before May 6, 2003.”

5 (B) Paragraph (2) of section 168(k) is  
6 amended by striking subparagraph (B) and by  
7 redesignating subparagraphs (C), (D), (E), and  
8 (F) as subparagraphs (B), (C), (D), and (E),  
9 respectively.

10 (C) Clause (i) of section 168(k)(2)(C), as  
11 so redesignated, is amended by striking “after  
12 September 10, 2001, and before January 1,  
13 2005” and inserting “after May 5, 2003”.

14 (D) Clause (ii) of section 168(k)(2)(C), as  
15 so redesignated, is amended by striking “Sep-  
16 tember 10, 2001” and inserting “May 5,  
17 2003”.

18 (E) Clause (i) of section 168(k)(2)(D), as  
19 so redesignated, is amended by striking  
20 “\$4,600” and inserting “\$7,650”.

21 (F) Paragraph (4) of section 168(k) is  
22 amended to read as follows:

23 “(4) ELECTION OF 30-PERCENT BONUS DEP-  
24 RECIATION.—If a taxpayer makes an election under

1       this subparagraph with respect to any class of prop-  
2       erty for any taxable year—

3               “(A) paragraph (1)(A) shall be applied by  
4               substituting ‘30 percent’ for ‘50 percent’ with  
5               respect to all property in such class placed in  
6               service during such taxable year, and

7               “(B) subparagraph (E)(i) shall be applied  
8               by substituting ‘\$4,600’ for ‘\$7,650’ with re-  
9               spect to automobiles (if any) which are part of  
10              such class.”

11       (h) EFFECTIVE DATES.—

12              (1) IN GENERAL.—Except as otherwise pro-  
13              vided in this subsection, the amendments made by  
14              this section shall apply to taxable years beginning  
15              after December 31, 2004.

16              (2) BONUS DEPRECIATION.—The amendments  
17              made by subsection (g) shall apply to property  
18              placed in service after May 5, 2003, in taxable years  
19              ending after such date.

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