

108TH CONGRESS
2D SESSION

H. R. 4075

To amend the Internal Revenue Code of 1986 to increase the amount of capital losses which may offset ordinary income.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2004

Mr. SMITH of Michigan (for himself, Mr. HOSTETTLER, and Mr. MILLER of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of capital losses which may offset ordinary income.

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. INCREASE AMOUNT OF CAPITAL LOSSES**
4 **WHICH MAY OFFSET ORDINARY INCOME.**

5 (a) IN GENERAL.—Paragraph (1) of section 1211(b)
6 of the Internal Revenue Code of 1986 (relating to limita-
7 tion on capital losses for taxpayers other than corpora-
8 tions) is amended by striking “\$3,000 (\$1,500” and in-
9 serting “\$9,000 (1/2 such amount”.

1 (b) ADJUSTMENT FOR INFLATION.—Section 1211 of
 2 such Code (relating to limitation on capital losses) is
 3 amended by adding at the end the following new sub-
 4 section:

5 “(c) ADJUSTMENT FOR INFLATION.—

6 “(1) IN GENERAL.—In the case of any taxable
 7 year beginning in a calendar year after 2004, the
 8 \$9,000 amount contained in subsection (b)(1) shall
 9 be increased by an amount equal to—

10 “(A) such amount, multiplied by

11 “(B) the cost-of-living adjustment deter-
 12 mined under section 1(f)(3) for the calendar
 13 year in which the taxable year begins by sub-
 14 stituting ‘calendar year 2003’ for ‘calendar year
 15 1992’ in subparagraph (B) thereof.

16 “(2) ROUNDING.—If any increase determined
 17 under paragraph (1) is not a multiple of \$1,000,
 18 such increase shall be rounded to the next highest
 19 multiple of \$1,000.”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 2003.

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