

108TH CONGRESS
1ST SESSION

H. R. 430

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2003

Mr. SENSENBRENNER 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 that 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. SHORT TITLE.**

4 This Act may be cited as the “Investment Protection
5 Act of 2003”.

6 **SEC. 2. INCREASE IN AMOUNT OF CAPITAL LOSS DEDUCT-**
7 **IBLE AGAINST ORDINARY INCOME.**

8 (a) IN GENERAL.—Subsection (b) of section 1211 of
9 the Internal Revenue Code of 1986 (relating to limitation

1 on capital losses of other taxpayers) is amended to read
2 as follows:

3 “(b) OTHER TAXPAYERS.—

4 “(1) IN GENERAL.—In the case of a taxpayer
5 other than a corporation, losses from sales or ex-
6 changes of capital assets shall be allowed only to the
7 extent of the gains from such sales or exchanges,
8 plus (if such losses exceed such gains) the lower of—

9 “(A) the applicable limitation (twice the
10 application limitation in the case of a joint re-
11 turn), or

12 “(B) the excess of such losses over such
13 gains.

14 “(2) APPLICABLE LIMITATION.—

15 “(A) IN GENERAL.—For purposes of para-
16 graph (1), the applicable limitation is \$10,000.

17 “(B) INFLATION ADJUSTMENT.—In the
18 case of any taxable year beginning in a calendar
19 year after 2003, the \$10,000 amount contained
20 in subparagraph (A) shall be increased by an
21 amount equal to the product of—

22 “(i) such dollar amount, and

23 “(ii) the cost-of-living adjustment de-
24 termined under subsection (f)(3) for the
25 calendar year in which the taxable year be-

1 gins, determined by substituting ‘calendar
2 year 2002’ for ‘calendar year 1992’ in sub-
3 paragraph (B) thereof.

4 If any amount after adjustment under the pre-
5 ceding sentence is not a multiple of \$50, such
6 amount shall be rounded to the next lowest
7 multiple of \$50.”

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2002.

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