

108TH CONGRESS
1ST SESSION

H. R. 459

To amend the Internal Revenue Code of 1986 to provide economic stimulus.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2003

Mr. HAYWORTH (for himself, Mr. CRANE, Mr. CANNON, Mr. CARTER, Mr. ISSA, Mr. WAMP, Mr. WILSON of South Carolina, Mr. PITTS, Mr. SENBRENNER, Mr. SOUDER, Mr. GOODE, Mr. MILLER of Florida, and Mr. SHAYS) 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 provide economic stimulus.

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 “Economic Growth Act of 2003”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 **SEC. 2. REDUCTION OF RATES OF TAX ON NET CAPITAL**
 4 **GAIN.**

5 (a) IN GENERAL.—Paragraph (1) of section 1(h) (re-
 6 lating to maximum capital gains rate) is amended by strik-
 7 ing “10 percent” and inserting “0 percent” and by strik-
 8 ing “20 percent” and inserting “10 percent”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) The following sections are each amended by
 11 striking “20 percent” and inserting “10 percent”:

12 (A) Section 55(b)(3)(C).

13 (B) Section 1445(e)(1).

14 (C) The second sentence of section
 15 7518(g)(6)(A).

16 (D) The second sentence of section
 17 607(h)(6)(A) of the Merchant Marine Act,
 18 1936.

19 (2) Section 311 of the Taxpayer Relief Act of
 20 1997 is amended by striking subsection (e).

21 (3) Section 1(h) is amended—

22 (A) by striking paragraphs (2) and (9),

23 (B) by redesignating paragraphs (3)
 24 through (8) as paragraphs (2) through (7), re-
 25 spectively, and

1 (C) by redesignating paragraphs (10),
 2 (11), and (12) as paragraphs (8), (9), and (10),
 3 respectively.

4 (4) Paragraph (3) of section 55(b) is amended
 5 by striking “In the case of taxable years beginning
 6 after December 31, 2000, rules similar to the rules
 7 of section 1(h)(2) shall apply for purposes of sub-
 8 paragraphs (B) and (C).”.

9 (5) Paragraph (7) of section 57(a) is amended
 10 by striking the last sentence and by striking “42
 11 percent” and inserting “28 percent”.

12 (c) EFFECTIVE DATES.—

13 (1) IN GENERAL.—Except as otherwise pro-
 14 vided by this subsection, the amendments made by
 15 this section shall apply to taxable years beginning
 16 after December 31, 2002.

17 (2) WITHHOLDING.—The amendment made by
 18 subsection (b)(1)(B) shall apply to amounts paid
 19 after the date of the enactment of this Act.

20 **SEC. 3. INCREASE ON AMOUNT OF CAPITAL LOSSES WHICH**
 21 **MAY OFFSET ORDINARY INCOME.**

22 (a) IN GENERAL.—Paragraph (1) of section 1211(b)
 23 (relating to limitation on capital losses for taxpayers other
 24 than corporations) is amended by striking “\$3,000
 25 (\$1,500” and inserting “\$10,000 (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 2003, the
 8 \$10,000 amount contained in subsection (b)(1) shall
 9 each 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 2002’ 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 \$50, such
 18 increase shall be rounded to the next highest mul-
 19 tiple of \$50.”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 2002.

○