

108TH CONGRESS
1ST SESSION

S. 120

To eliminate the marriage tax penalty permanently in 2003.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2003

Mrs. HUTCHISON (for herself, Mr. BAYH, Mr. BROWNBACK, Mr. HAGEL, Mr. FITZGERALD, Mr. CORNYN, Mr. COCHRAN, and Mr. BURNS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To eliminate the marriage tax penalty permanently in 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 This Act may be cited as the “Marriage Penalty Re-
5 lief Act of 2003”.

6 **SEC. 2. ACCELERATION OF MARRIAGE PENALTY RELIEF**
7 **PROVISIONS.**

8 (a) **ELIMINATION OF MARRIAGE PENALTY IN STAND-**
9 **ARD DEDUCTION.—**

(1) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(A) by striking “\$5,000” in subparagraph (A) and inserting “200 percent of the dollar amount in effect under subparagraph (C) for the taxable year”;

(B) by adding “or” at the end of subparagraph (B);

(C) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case.”; and

(D) by striking subparagraph (D).

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking “(other than with” and all that follows through “shall be applied” and inserting “(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied”.

(B) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

“The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to taxable years begin-
3 ning after December 31, 2002.

4 (b) ELIMINATION OF MARRIAGE PENALTY IN 15-
5 PERCENT BRACKET.—

6 (1) IN GENERAL.—Section 1(f) of the Internal
7 Revenue Code of 1986 (relating to adjustments in
8 tax tables so that inflation will not result in tax in-
9 creases) is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(8) ELIMINATION OF MARRIAGE PENALTY IN
12 15-PERCENT BRACKET.—

13 “(A) IN GENERAL.—With respect to tax-
14 able years beginning after December 31, 2002,
15 in prescribing the tables under paragraph (1)—

16 “(i) the maximum taxable income in
17 the 15-percent rate bracket in the table
18 contained in subsection (a) (and the min-
19 imum taxable income in the next higher
20 taxable income bracket in such table) shall
21 be 200 percent of the maximum taxable in-
22 come in the 15-percent rate bracket in the
23 table contained in subsection (c) (after any
24 other adjustment under this subsection),
25 and

1 “(ii) the comparable taxable income
 2 amounts in the table contained in sub-
 3 section (d) shall be $\frac{1}{2}$ of the amounts de-
 4 termined under clause (i).

5 “(B) ROUNDING.—If any amount deter-
 6 mined under subparagraph (A)(i) is not a mul-
 7 tiple of \$50, such amount shall be rounded to
 8 the next lowest multiple of \$50.”.

9 (2) TECHNICAL AMENDMENTS.—

10 (A) Subparagraph (A) of section 1(f)(2) of
 11 such Code is amended by inserting “except as
 12 provided in paragraph (8),” before “by increas-
 13 ing”.

14 (B) The heading for subsection (f) of sec-
 15 tion 1 is amended by inserting “ELIMINATION
 16 OF MARRIAGE PENALTY IN 15-PERCENT
 17 BRACKET;” before “ADJUSTMENTS”.

18 (3) EFFECTIVE DATE.—The amendments made
 19 by this subsection shall apply to taxable years begin-
 20 ning after December 31, 2002.

21 (c) MARRIAGE PENALTY RELIEF FOR EARNED IN-
 22 COME CREDIT.—

23 (1) INCREASED PHASEOUT AMOUNT.—

24 (A) IN GENERAL.—Section 32(b)(2)(B) of
 25 the Internal Revenue Code of 1986 (relating to

amounts) is amended by striking “increased by—” and all that follows and inserting “increased by \$3,000.”.

(B) INFLATION ADJUSTMENT.—Paragraph (1)(B)(ii) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

“(ii) in the case of the \$3,000 amount in subsection (b)(2)(B), by substituting ‘calendar year 2003’ for ‘calendar year 1992’ in subparagraph (B) of such section 1.”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 2002.

(2) EXPANSION OF MATHEMATICAL ERROR AUTHORITY.—

(A) IN GENERAL.—Paragraph (2) of section 6213(g) of such Code is amended by striking “and” at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting “, and”, and by inserting after subparagraph (L) the following new subparagraph:

“(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child.”.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall take effect on January 1, 2003.

(d) CONFORMING AMENDMENTS.—

(1) REPEAL OF AMENDMENTS.—Sections 301, 302, and 303(g) of the Economic Growth and Tax Relief Reconciliation Act of 2001 are repealed.

(2) REPEAL OF SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 303 (other than subsection (g) of such section) of such Act (relating to marriage penalty relief).

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