

110TH CONGRESS
1ST SESSION

H. R. 3262

To amend the Internal Revenue Code of 1986 to restore age 14 as the age at which unearned income of minor children ceases to be taxed as if parent's income.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2007

Mrs. MUSGRAVE 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 restore age 14 as the age at which unearned income of minor children ceases to be taxed as if parent's 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. RESTORATION OF AGE 14 AS AGE AT WHICH**
4 **UNEARNED INCOME OF MINOR CHILDREN**
5 **CEASES TO BE TAXED AS IF PARENT'S IN-**
6 **COME.**

7 (a) REPEAL OF INCREASE IN SMALL BUSINESS AND
8 WORK OPPORTUNITY TAX ACT OF 2007.—Section 8241
9 of the Small Business and Work Opportunity Tax Act of

1 2007 (relating to increase in age of children whose un-
2 earned income is taxed as if parent's income), and the
3 amendments made by such section, is hereby repealed.
4 The Internal Revenue Code of 1986 shall be applied as
5 if such section, and amendments, had never been enacted.

6 (b) REPEAL OF INCREASE IN TAX INCREASE PRE-
7 VENTION AND RECONCILIATION ACT OF 2005.—Para-
8 graph (2) of section 1(g) of the Internal Revenue Code
9 of 1986 is amended—

10 (1) in subparagraph (A)—

11 (A) by striking “age 18” and inserting
12 “age 14”, and

13 (B) by inserting “and” at the end,

14 (2) by striking “, and” in subparagraph (B)
15 and inserting a period, and

16 (3) by striking subparagraph (C).

17 (c) EFFECTIVE DATE.—The amendments made by
18 subsection (b) shall apply to taxable years beginning after
19 December 31, 2006.

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