

110TH CONGRESS  
1ST SESSION

# H. R. 3906

To amend the Internal Revenue Code of 1986 to make permanent the deduction for State and local sales tax, the deduction for qualified tuition and related expenses, the deduction for mortgage interest premiums, and the modifications to the dependent care credit.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 18, 2007

Mr. MURPHY of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the deduction for State and local sales tax, the deduction for qualified tuition and related expenses, the deduction for mortgage interest premiums, and the modifications to the dependent care credit.

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 “Middle Class Tax Re-  
5       lief Act of 2007”.

1 **SEC. 2. STATE AND LOCAL SALES TAX DEDUCTION MADE**2 **PERMANENT.**

3 (a) IN GENERAL.—Subparagraph (I) of section  
4 164(b)(5) of the Internal Revenue Code of 1986 is amend-  
5 ed by striking “, and before January 1, 2008”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to taxable years beginning after  
8 December 31, 2007.

9 **SEC. 3. MORTGAGE INSURANCE PREMIUMS TREATED AS IN-**10 **TEREST MADE PERMANENT.**

11 (a) IN GENERAL.—Subparagraph (E) of section  
12 163(h)(3) of the Internal Revenue Code of 1986 is amend-  
13 ed by striking clause (iv).

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to amounts paid or accrued after  
16 December 31, 2007.

17 **SEC. 4. DEDUCTION FOR QUALIFIED TUITION AND RE-**18 **LATED EXPENSES MADE PERMANENT.**

19 (a) IN GENERAL.—

20 (1) TERMINATION.—Section 222 of the Internal  
21 Revenue Code of 1986 is amended by striking sub-  
22 section (e).

23 (2) EGTRRA SUNSET.—Title IX of the Eco-  
24 nomic Growth and Tax Relief Reconciliation Act of  
25 2001 (relating to sunset provisions of such Act)  
26 shall not apply to section 431 of such Act.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2007.

4 SEC. 5. MODIFICATIONS TO DEPENDENT CARE CREDIT  
5 MADE PERMANENT.

6 Title IX of the Economic Growth and Tax Relief Rec-  
7 onciliation Act of 2001 (relating to sunset provisions of  
8 such Act) shall not apply to section 204 of such Act.