

110TH CONGRESS
1ST SESSION

S. 14

To repeal the sunset on certain tax rates and other incentives and to repeal the individual alternative minimum tax, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2007

Mr. KYL (for himself, Mr. McCONNELL, Mr. GRASSLEY, Mr. LOTT, Mr. ENSIGN, Mr. HATCH, Mr. THOMAS, Mr. SMITH, Mr. BUNNING, Mr. CRAPO, Mr. ROBERTS, Mr. DEMINT, Mr. ALEXANDER, Mr. MARTINEZ, Mr. CHAMBLISS, Mr. BROWNBACK, Mr. CRAIG, Mr. ALLARD, Mr. GRAHAM, Mr. ENZI, Mr. INHOFE, Mr. BURR, and Mr. COBURN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To repeal the sunset on certain tax rates and other incentives and to repeal the individual alternative minimum tax, and for other purposes.

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 “Invest in America
5 Act”.

1 **SEC. 2. REPEAL OF EGTRRA SUNSET.**

2 Title IX of the Economic Growth and Tax Relief Rec-
3 onciliation Act of 2001 is repealed.

4 **SEC. 3. PERMANENT REDUCTIONS IN INDIVIDUAL CAPITAL**
5 **GAINS AND DIVIDENDS TAX RATES.**

6 Section 303 of the Jobs and Growth Tax Relief Rec-
7 onciliation Act of 2003 (relating to sunset of title) is re-
8 pealed.

9 **SEC. 4. PERMANENT EXTENSION OF RESEARCH CREDIT.**

10 (a) IN GENERAL.—Section 41 of the Internal Rev-
11 enue Code of 1986 is amended by striking subsection (h).

12 (b) CONFORMING AMENDMENT.—Paragraph (1) of
13 section 45C(b) of such Code is amended by striking sub-
14 paragraph (D).

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to amounts paid or incurred after
17 the date of the enactment of this Act.

18 **SEC. 5. PERMANENT EXTENSION OF EXPENSING FOR**
19 **SMALL BUSINESSES.**

20 (a) DOLLAR LIMITATION.—Paragraph (1) of section
21 179(b) of the Internal Revenue Code of 1986 is amended
22 by striking “\$25,000 (\$100,000 in the case of taxable
23 years beginning after 2002 and before 2010)” and insert-
24 ing “\$100,000”.

25 (b) REDUCTION IN LIMITATION.—Paragraph (2) of
26 section 179(b) of the Internal Revenue Code of 1986 is

1 amended by striking “\$200,000 (\$400,000 in the case of
 2 taxable years beginning after 2002 and before 2010)” and
 3 inserting “\$400,000”.

4 (c) INFLATION ADJUSTMENTS.—Subparagraph (A)
 5 of section 179(b)(5) of the Internal Revenue Code of 1986
 6 is amended by striking “and before 2010”.

7 (d) ELECTION.—Paragraph (2) of section 179(c) of
 8 the Internal Revenue Code of 1986 is amended by striking
 9 “and before 2010”.

10 (e) COMPUTER SOFTWARE.—Clause (ii) of section
 11 179(d)(1)(A) of the Internal Revenue Code of 1986 is
 12 amended by striking “and before 2010”.

13 **SEC. 6. PERMANENT EXTENSION OF ABOVE-THE-LINE DE-**
 14 **DUCTION FOR CERTAIN EXPENSES OF ELE-**
 15 **MENTARY AND SECONDARY SCHOOL TEACH-**
 16 **ERS.**

17 Subparagraph (D) of section 62(a)(2) of the Internal
 18 Revenue Code of 1986 is amended by striking “In the case
 19 of taxable years beginning during 2002, 2003, 2004,
 20 2005, 2006, or 2007, the deductions” and inserting “The
 21 deductions”.

22 **SEC. 7. REPEAL OF INDIVIDUAL ALTERNATIVE MINIMUM**
 23 **TAX.**

24 (a) IN GENERAL.—Section 55(a) of the Internal Rev-
 25 enue Code of 1986 (relating to alternative minimum tax

1 imposed) is amended by adding at the end the following
 2 new flush sentence:

3 “For purposes of this title, the tentative minimum tax on
 4 any taxpayer other than a corporation for any taxable year
 5 beginning after December 31, 2006, shall be zero.”.

6 (b) MODIFICATION OF LIMITATION ON USE OF
 7 CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—
 8 Subsection (c) of section 53 of the Internal Revenue Code
 9 of 1986 (relating to credit for prior year minimum tax
 10 liability) is amended to read as follows:

11 “(c) LIMITATION.—

12 “(1) IN GENERAL.—Except as provided in para-
 13 graph (2), the credit allowable under subsection (a)
 14 for any taxable year shall not exceed the excess (if
 15 any) of—

16 “(A) the regular tax liability of the tax-
 17 payer for such taxable year reduced by the sum
 18 of the credits allowable under subparts A, B, D,
 19 E, and F of this part, over

20 “(B) the tentative minimum tax for the
 21 taxable year.

22 “(2) TAXABLE YEARS BEGINNING AFTER
 23 2006.—In the case of any taxable year beginning
 24 after 2006, the credit allowable under subsection (a)
 25 to a taxpayer other than a corporation for any tax-

1 able year shall not exceed 90 percent of the regular
 2 tax liability of the taxpayer for such taxable year re-
 3 duced by the sum of the credits allowable under sub-
 4 parts A, B, D, E, and F of this part.”.

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2006.

8 **SEC. 8. SENSE OF THE SENATE REGARDING SIMPLIFICA-**
 9 **TION OF THE FEDERAL INCOME TAX SYSTEM.**

10 (a) FINDINGS.—The Senate finds that—

11 (1) the average time burden for all taxpayers
 12 filing a Form 1040 Federal income tax return is 30
 13 hours;

14 (2) more than 6 in 10 Americans now hire
 15 someone to help prepare their tax returns every
 16 year; and

17 (3) the hundreds of billions of dollars spent
 18 each year complying with the Federal tax system
 19 could be used more efficiently by families and busi-
 20 nesses to grow the Nation’s economy and create
 21 jobs.

22 (b) SENSE OF THE SENATE.—It is the sense of the
 23 Senate that the Committee on Finance of the Senate
 24 should report legislation before December 31, 2007, to
 25 simplify the Federal income tax system, ensuring that the

- 1 system is equitable, economically efficient, simple, trans-
- 2 parent and administrable, without raising tax rates.

