

111TH CONGRESS  
1ST SESSION

# H. R. 301

To amend the Internal Revenue Code of 1986 to prevent pending tax increases and to provide additional tax reductions to stimulate economic growth.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2009

Mr. NEUGEBAUER 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 prevent pending tax increases and to provide additional tax reductions to stimulate economic growth.

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 “Economic Growth  
5       Through Tax Stimulus Act of 2009”.

6       **SEC. 2. EGTRRA, JGTRRA, AND CERTAIN OTHER TAX RE-**  
7       **LIEF MADE PERMANENT.**

8       (a) ECONOMIC GROWTH AND TAX RELIEF REC-  
9       ONCILIATION ACT OF 2001.—Title IX of the Economic

1 Growth and Tax Relief Reconciliation Act of 2001 is here-  
2 by repealed.

3 (b) INCOME TAX RATES ON DIVIDENDS AND NET  
4 CAPITAL GAIN.—Section 303 of the Jobs and Growth Tax  
5 Relief Reconciliation Act of 2003 is hereby repealed.

6 (c) DEDUCTION FOR STATE AND LOCAL SALES  
7 TAXES.—Paragraph (5) of section 164(b) of the Internal  
8 Revenue Code of 1986 is amended by striking subpara-  
9 graph (I).

10 (d) DEDUCTION FOR TUITION AND RELATED EX-  
11 PENSES.—Section 222 of such Code is amended by strik-  
12 ing subsection (e).

13 (e) INCREASED EXPENSING FOR SMALL BUSI-  
14 NESS.—

15 (1) DOLLAR LIMITATION.—Paragraph (1) of  
16 section 179(b) of such Code (relating to dollar limi-  
17 tation) is amended by striking “\$25,000 (\$125,000  
18 in the case of taxable years beginning after 2006  
19 and before 2011)” and inserting “\$125,000”.

20 (2) INCREASE IN QUALIFYING INVESTMENT AT  
21 WHICH PHASEOUT BEGINS.—Paragraph (2) of sec-  
22 tion 179(b) of such Code (relating to reduction in  
23 limitation) is amended by striking “\$200,000  
24 (\$500,000 in the case of taxable years beginning

1 after 2006 and before 2011)” and inserting  
2 “\$500,000”.

3 (3) INFLATION ADJUSTMENTS.—Section  
4 179(b)(5)(A) of such Code (relating to inflation ad-  
5 justments) is amended by striking “and before  
6 2011”.

7 (4) REVOCATION OF ELECTION.—Section  
8 179(c)(2) of such Code (relating to election irrev-  
9 ocable) is amended by striking “and before 2011”.

10 (5) COMPUTER SOFTWARE.—Clause (ii) of sec-  
11 tion 179(d)(1)(A) of such Code is amended by strik-  
12 ing “and before 2011”.

13 (f) EFFECTIVE DATE.—The amendments made by  
14 this section shall take effect on the date of the enactment  
15 of this Act.

16 **SEC. 3. TEMPORARY REDUCTION IN INDIVIDUAL TAX**  
17 **RATES.**

18 (a) IN GENERAL.—Section 1 of the Internal Revenue  
19 Code of 1986 is amended by adding at the end the fol-  
20 lowing new subsection:

21 “(j) ECONOMIC STIMULUS RATE REDUCTIONS.—In  
22 the case of taxable years beginning in a calendar year  
23 after 2008 and before 2014—

1           “(1) the 10 percent and 15 percent rates of tax  
 2           specified in subsection (i)(1) shall each be reduced  
 3           by 5 percentage points,

4           “(2) the last line of the table in subsection  
 5           (i)(2) shall be applied by substituting—

6                   “(A) ‘20.0%’ for ‘25.0%’,

7                   “(B) ‘23.0%’ for ‘28.0%’,

8                   “(C) ‘25.0%’ for ‘33.0%’, and

9                   “(D) ‘25.0%’ for ‘35.0%’, and

10           “(3) the adjustment of the tables prescribed  
 11           under subsection (f) required by subsection (i)(3)  
 12           shall be further adjusted to carry out this sub-  
 13           section.”.

14           (b) CONFORMING AMENDMENT.—Section 15 of such  
 15           Code is amended by adding at the end the following new  
 16           subsection:

17           “(g) ECONOMIC STIMULUS RATE REDUCTIONS.—  
 18           This section shall not apply to any change in rates under  
 19           subsection (j) of section 1 (relating to economic stimulus  
 20           rate reductions).”.

21           (c) EFFECTIVE DATE.—The amendments made by  
 22           this section shall apply to taxable years beginning after  
 23           December 31, 2008.

1 **SEC. 4. REDUCTION IN CORPORATE INCOME TAX RATES.**

2 (a) IN GENERAL.—Section 11 of the Internal Rev-  
3 enue Code of 1986 is amended by adding at the end the  
4 following new subsection:

5 “(e) ECONOMIC STIMULUS RATE REDUCTIONS.—In  
6 the case of taxable years beginning in a calendar year  
7 after 2008 and before 2014—

8 “(1) subsection (b)(1) shall be applied by dis-  
9 regarding—

10 “(A) ‘but does not exceed \$75,000,’ in sub-  
11 paragraph (B) thereof,

12 “(B) subparagraphs (C) and (D) thereof,  
13 and

14 “(C) the last 2 sentences,

15 “(2) subsection (b)(2) shall be applied by sub-  
16 stituting ‘25 percent’ for ‘35 percent’, and

17 “(3) paragraphs (1) and (2) of section 1445(e)  
18 shall each be applied by substituting ‘25 percent’ for  
19 ‘35 percent.’.”

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2008.

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