

111TH CONGRESS  
1ST SESSION

# S. 978

To amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals.

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IN THE SENATE OF THE UNITED STATES

MAY 5, 2009

Mrs. LINCOLN (for herself and Mr. HATCH) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals.

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. INCREASE IN LIMITATION ON CAPITAL LOSSES**

4               **APPLICABLE TO INDIVIDUALS.**

5           (a) IN GENERAL.—Paragraph (1) of section 1211(b)  
6       of the Internal Revenue Code of 1986 (relating to limita-  
7       tion on capital losses for taxpayers other than corpora-  
8       tions) is amended by striking “\$3,000 (\$1,500” and in-  
9       serting “\$10,000 (½ such amount”.

1 (b) ADJUSTMENT FOR INFLATION.—Section 1211 of  
 2 the Internal Revenue Code of 1986 (relating to limitation  
 3 on capital losses) is amended by adding at the end the  
 4 following new subsection:

5 “(c) ADJUSTMENT FOR INFLATION.—

6 “(1) IN GENERAL.—In the case of any taxable  
 7 year beginning in a calendar year after 2009, the  
 8 \$10,000 amount contained in subsection (b)(1) shall  
 9 each be increased by an amount equal to—

10 “(A) such amount, multiplied by

11 “(B) the cost-of-living adjustment deter-  
 12 mined under section 1(f)(3) for the calendar  
 13 year in which the taxable year begins by sub-  
 14 stituting ‘calendar year 2008’ for ‘calendar year  
 15 1992’ in subparagraph (B) thereof.

16 “(2) ROUNDING.—If any increase determined  
 17 under paragraph (1) is not a multiple of \$50, such  
 18 increase shall be rounded to the next highest mul-  
 19 tiple of \$50.”.

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

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