

112TH CONGRESS
1ST SESSION

H. R. 417

To amend the Internal Revenue Code of 1986 to repeal the expansion of certain information reporting requirements to corporations and to payments for property, to impose a surcharge on high income taxpayers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2011

Mr. OWENS (for himself, Mr. TONKO, Ms. PINGREE of Maine, Mr. LOEBSACK, Mr. KEATING, Mr. WELCH, Mr. DEFazio, Ms. JACKSON LEE of Texas, Ms. HIRONO, Mr. PASCRELL, Mr. HOLT, Mr. WEINER, Mr. MICHAUD, and Mr. HINCHEY) 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 repeal the expansion of certain information reporting requirements to corporations and to payments for property, to impose a surcharge on high income taxpayers, 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 “Small Business Tax
5 Relief Act of 2011”.

1 **SEC. 2. REPEAL OF EXPANSION OF CERTAIN INFORMATION**
2 **REPORTING REQUIREMENTS TO CORPORA-**
3 **TIONS AND TO PAYMENTS FOR PROPERTY.**

4 Section 9006 of the Patient Protection and Afford-
5 able Care Act is repealed. Each provision of law amended
6 by such section is amended to read as such provision
7 would read if such section had never been enacted.

8 **SEC. 3. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

9 (a) IN GENERAL.—Subchapter A of chapter 1 of the
10 Internal Revenue Code of 1986 is amended by adding at
11 the end the following new part:

12 **“PART VIII—SURCHARGE ON HIGH INCOME**
13 **INDIVIDUALS**

“Sec. 59C. Surcharge on high income individuals.

14 **“SEC. 59C. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

15 “(a) GENERAL RULE.—In the case of a taxpayer
16 other than a corporation, there is hereby imposed (in addi-
17 tion to any other tax imposed by this subtitle) a tax equal
18 to 5.4 percent of so much of the modified adjusted gross
19 income of the taxpayer as exceeds \$1,000,000.

20 “(b) TAXPAYERS NOT MAKING A JOINT RETURN.—

21 In the case of any taxpayer other than a taxpayer making
22 a joint return under section 6013 or a surviving spouse
23 (as defined in section 2(a)), subsection (a) shall be applied
24 by substituting for the dollar amount therein (after any

1 increase determined under subsection (d)) a dollar amount
2 equal to—

3 “(1) 50 percent of the dollar amount so in ef-
4 fect in the case of a married individual filing a sepa-
5 rate return, and

6 “(2) 80 percent of the dollar amount so in ef-
7 fect in any other case.

8 “(c) MODIFIED ADJUSTED GROSS INCOME.—For
9 purposes of this section, the term ‘modified adjusted gross
10 income’ means adjusted gross income reduced by any de-
11 duction (not taken into account in determining adjusted
12 gross income) allowed for investment interest (as defined
13 in section 163(d)). In the case of an estate or trust, ad-
14 justed gross income shall be determined as provided in sec-
15 tion 67(e).

16 “(d) INFLATION ADJUSTMENTS.—

17 “(1) IN GENERAL.—In the case of taxable years
18 beginning after 2011, the dollar amount in sub-
19 section (a) shall be increased by an amount equal
20 to—

21 “(A) such dollar amount, multiplied by

22 “(B) the cost-of-living adjustment deter-
23 mined under section 1(f)(3) for the calendar
24 year in which the taxable year begins, by sub-

1 stituting ‘calendar year 2010’ for ‘calendar year
2 1992’ in subparagraph (B) thereof.

3 “(2) ROUNDING.—If any amount as adjusted
4 under paragraph (1) is not a multiple of \$5,000,
5 such amount shall be rounded to the next lowest
6 multiple of \$5,000.

7 “(e) SPECIAL RULES.—

8 “(1) NONRESIDENT ALIEN.—In the case of a
9 nonresident alien individual, only amounts taken
10 into account in connection with the tax imposed
11 under section 871(b) shall be taken into account
12 under this section.

13 “(2) CITIZENS AND RESIDENTS LIVING
14 ABROAD.—The dollar amount in effect under sub-
15 section (a) (after the application of subsections (b)
16 and (d)) shall be decreased by the excess of—

17 “(A) the amounts excluded from the tax-
18 payer’s gross income under section 911, over

19 “(B) the amounts of any deductions or ex-
20 clusions disallowed under section 911(d)(6)
21 with respect to the amounts described in sub-
22 paragraph (A).

23 “(3) CHARITABLE TRUSTS.—Subsection (a)
24 shall not apply to a trust all the unexpired interests

1 in which are devoted to one or more of the purposes
2 described in section 170(c)(2)(B).

3 “(4) NOT TREATED AS TAX IMPOSED BY THIS
4 CHAPTER FOR CERTAIN PURPOSES.—The tax im-
5 posed under this section shall not be treated as tax
6 imposed by this chapter for purposes of determining
7 the amount of any credit under this chapter or for
8 purposes of section 55.”.

9 (b) CLERICAL AMENDMENT.—The table of parts for
10 subchapter A of chapter 1 of such Code is amended by
11 adding at the end the following new item:

“PART VIII. SURCHARGE ON HIGH INCOME INDIVIDUALS.”.

12 (c) SECTION 15 NOT TO APPLY.—The amendment
13 made by subsection (a) shall not be treated as a change
14 in a rate of tax for purposes of section 15 of the Internal
15 Revenue Code of 1986.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2010.

19 (e) DEFICIT REDUCTION.—Revenues received pursu-
20 ant to the amendments made by this section shall be de-
21 posited in the Treasury and used for deficit reduction, ex-
22 cept that in the case of a fiscal year for which there is
23 no Federal budget deficit (determined after taking into ac-
24 count the repeal and amendments made by section 2),
25 such amounts shall be used to reduce the Federal debt

1 (in such manner as the Secretary of the Treasury con-
2 siders appropriate).

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