

112TH CONGRESS
2D SESSION

H. R. 6535

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to repeal the sequestration added by the Budget Control Act of 2011, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2012

Mr. NADLER (for himself and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to repeal the sequestration added by the Budget Control Act of 2011, 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 “Save America’s Na-
5 tional Economy Act”.

1 **SEC. 2. REPEALER.**

2 (a) IN GENERAL.—Section 251A of the Balanced
3 Budget and Emergency Deficit Control Act of 1985, as
4 added by the Budget Control Act of 2011, is repealed.

5 (b) CONFORMING AMENDMENT.—The item relating
6 to section 251A in the table of contents set forth in section
7 250(a) of the Balanced Budget and Emergency Deficit
8 Control Act of 1985 is repealed.

9 **SEC. 3. INCREASED TAX RATES FOR TAXPAYERS WITH**
10 **MORE THAN \$1,000,000 TAXABLE INCOME.**

11 (a) IN GENERAL.—

12 (1) MARRIED INDIVIDUALS FILING JOINT RE-
13 TURNS AND SURVIVING SPOUSES.—The table con-
14 tained in subsection (a) of section 1 is amended to
15 read as follows:

If taxable income is:	The tax is:
Not over \$69,000	15% of taxable income.
Over \$69,000 but not over \$139,350.	\$10,350, plus 28% of the excess over \$69,000.
Over \$139,350 but not over \$212,300.	\$30,048, plus 31% of the excess over \$139,350.
Over \$212,300 but not over \$379,150.	\$52,662.50, plus 36% of the excess over \$212,300.
Over \$379,150 but not over \$1,000,000.	\$112,728.50, plus 39.6% of the ex- cess over \$379,150.
Over \$1,000,000 but not over \$10,000,000.	\$358,585.10, plus 45% of the excess over \$1,000,000.
Over \$10,000,000 but not over \$20,000,000.	\$4,408,585.10, plus 46% of the ex- cess over \$10,000,000.
Over \$20,000,000 but not over \$100,000,000.	\$9,008,585.10, plus 47% of the ex- cess over \$20,000,000.
Over \$100,000,000 but not over \$1,000,000,000.	\$46,608,585.10, plus 48% of the ex- cess over \$100,000,000.
Over \$1,000,000,000	\$478,608,585.10, plus 49% over the excess over \$1,000,000,000.

(2) HEADS OF HOUSEHOLD.—The table contained in subsection (b) of section 1 of such Code is amended to read as follows:

If taxable income is:	The tax is:
Not over \$46,250	15% of taxable income.
Over \$46,250 but not over \$119,400.	\$6,937.50, plus 28% of the excess over \$46,250.
Over \$119,400 but not over \$193,350.	\$27,419.50, plus 31% of the excess over \$119,400.
Over \$193,350 but not over \$379,150.	\$50,344, plus 36% of the excess over \$193,350.
Over \$379,150 but not over \$1,000,000.	\$117,232, plus 39.6% of the excess over \$379,150.
Over \$1,000,000 but not over \$10,000,000.	\$363,088.60, plus 45% of the excess over \$1,000,000.
Over \$10,000,000 but not over \$20,000,000.	\$4,413,088.60, plus 46% of the excess over \$10,000,000.
Over \$20,000,000 but not over \$100,000,000.	\$9,013,088.60, plus 47% of the excess over \$20,000,000.
Over \$100,000,000 but not over \$1,000,000,000.	\$46,613,088.60, plus 48% of the excess over \$100,000,000.
Over \$1,000,000,000	\$478,613,088.60, plus 49% of the excess over \$1,000,000,000.

(3) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—The table contained in subsection (c) of section 1 of such Code is amended to read as follows:

If taxable income is:	The tax is:
Not over \$34,500	15% of taxable income.
Over \$34,500 but not over \$83,600.	\$5,175, plus 28% of the excess over \$34,500.
Over \$83,600 but not over \$174,400.	\$18,923, plus 31% of the excess over \$83,600.
Over \$174,400 but not over \$379,150.	\$47,071, plus 36% of the excess over \$174,400.
Over \$379,150 but not over \$1,000,000.	\$120,781, plus 39.6% of the excess over \$379,150.
Over \$1,000,000 but not over \$10,000,000.	\$366,637.60, plus 45% of the excess over \$1,000,000.
Over \$10,000,000 but not over \$20,000,000.	\$4,416,637.60, plus 46% of the excess over \$10,000,000.
Over \$20,000,000 but not over \$100,000,000.	\$9,016,637.60, plus 47% of the excess over \$20,000,000.

If taxable income is:

Over \$100,000,000 but not over
\$1,000,000,000.
Over \$1,000,000,000

The tax is:

\$46,616,637.60, plus 48% of the ex-
cess over \$100,000,000.
\$478,616,637.60, plus 49% of the ex-
cess over \$1,000,000,000.

1 (4) MARRIED INDIVIDUALS FILING SEPARATE
2 RETURNS.—The table contained in subsection (d) of
3 section 1 of such Code is amended to read as fol-
4 lows:

If taxable income is:

Not over \$34,500
Over \$34,500 but not over
\$69,675.
Over \$69,675 but not over
\$106,150.
Over \$106,150 but not over
\$189,575.
Over \$189,575 but not over
\$500,000.
Over \$500,000 but not over
\$5,000,000.
Over \$5,000,000 but not over
\$10,000,000.
Over \$10,000,000 but not over
\$50,000,000.
Over \$50,000,000 but not over
\$500,000,000.
Over \$500,000,000

The tax is:

plus 15% of taxable income.
\$5,175, plus 28% of the excess over
\$34,500.
\$15,024, plus 31% of the excess over
\$69,675.
\$26,331.25, plus 35% of the excess
over \$106,150.
\$55,530, plus 39.6% of the excess
over \$189,575.
\$178,458.30, plus 45% of the excess
over \$500,000.
\$2,203,458.30, plus 46% of the ex-
cess over \$5,000,000.
\$4,503,458.30, plus 47% of the ex-
cess over \$10,000,000.
\$23,303,458.30, plus 48% of the ex-
cess over \$50,000,000.
\$239,303,458.30, plus 49% of the ex-
cess over \$500,000,000.

5 (b) RECAPTURE OF LOWER CAPITAL GAINS RATES
6 FOR INDIVIDUALS SUBJECT TO ADDED RATE BRACK-
7 ETS.—

8 (1) IN GENERAL.—Section 1 of such Code is
9 amended by adding at the end the following new
10 subsection:

11 “(j) SPECIAL RULE FOR CAPITAL GAINS IN CASE OF
12 TAXABLE INCOME SUBJECT TO AT LEAST 45-PERCENT
13 RATE BRACKET.—If for the taxable year a taxpayer has

1 taxable income in excess of the minimum dollar amount
 2 for the 45-percent rate bracket and has a net capital gain,
 3 then—

4 “(1) the tax imposed by this section for the tax-
 5 able year with respect to such excess shall be deter-
 6 mined without regard to subsection (h), and

7 “(2) the amount of net capital gain of the tax-
 8 payer taken into account for the taxable year under
 9 subsection (h) shall be reduced by the lesser of—

10 “(A) such excess, or

11 “(B) the net capital gain for the taxable
 12 year.

13 Any reduction in net capital gain under the pre-
 14 ceding sentence shall be allocated between adjusted
 15 net capital gain, unrecaptured 1250 gain, and sec-
 16 tion 1202 gain in amounts proportionate to the
 17 amounts of each such gain.”.

18 (2) CONFORMING AMENDMENT.—Paragraph (1)
 19 of section 1(h) of such Code is amended by striking
 20 “If a taxpayer has” and inserting “Except to the ex-
 21 tent provided in subsection (j), if a taxpayer has”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2013.

1 **SEC. 4. SAVINGS FROM OVERSEAS CONTINGENCY AND RE-**
2 **LATED ACTIVITIES.**

3 (a) IN GENERAL.—Section 251(b)(2) of the Balanced
4 Budget and Emergency Deficit Control Act of 1985 (2
5 U.S.C. 901(b)(2)) is amended by adding at the end the
6 following new subparagraph:

7 “(E) OVERSEAS CONTINGENCY AND RE-
8 LATED ACTIVITIES.—

9 “(i) CAP ADJUSTMENT.—If a bill or
10 joint resolution making appropriations for
11 a fiscal year is enacted that specifies an
12 amount for overseas contingency and re-
13 lated activities for that fiscal year after
14 taking into account any other bills or joint
15 resolutions enacted for that fiscal year that
16 specify an amount for overseas contingency
17 and related activities, but do not exceed in
18 the aggregate the amounts specified in
19 clause (ii), then the adjustments for that
20 fiscal year shall be the additional new
21 budget authority provided in that Act for
22 such activities for that fiscal year.

23 “(ii) LEVELS.—The levels for overseas
24 contingency and related activities specified
25 in this subparagraph are as follows:

1 “(I) For fiscal year 2013,
2 \$83,000,000,000 in budget authority.

3 “(II) For fiscal year 2014,
4 \$50,000,000,000 in budget authority.

5 “(III) For fiscal year 2015,
6 \$50,000,000,000 in budget authority.

7 “(IV) For fiscal year 2016,
8 \$50,000,000,000 in budget authority.

9 “(V) For fiscal year 2017,
10 \$50,000,000,000 in budget authority.

11 “(VI) For fiscal year 2018,
12 \$50,000,000,000 in budget authority.

13 “(VII) For fiscal year 2019,
14 \$50,000,000,000 in budget authority.

15 “(VIII) For fiscal year 2020,
16 \$50,000,000,000 in budget authority.

17 “(IX) For fiscal year 2021,
18 \$50,000,000,000 in budget author-
19 ity.”.

20 (b) BREACH.—Section 251(a)(2) of such Act (2
21 U.S.C. 901(a)(2)) is amended to read as follows:

22 “(2) ELIMINATING A BREACH.—

23 “(A) IN GENERAL.—Each non-exempt ac-
24 count within a category shall be reduced by a
25 dollar amount calculated by multiplying the en-

1 acted level of sequestrable budgetary resources
2 in that account by the uniform percentage nec-
3 essary to eliminate a breach within that cat-
4 egory.

5 “(B) OVERSEAS CONTINGENCIES.—Any
6 amount of budget authority for overseas contin-
7 gency operations and related activities for fiscal
8 years 2013 through 2021 in excess of the levels
9 set in subsection 251(b)(2)(E) shall be counted
10 in determining whether a breach has occurred
11 in the security category and the nonsecurity
12 category on a proportional basis to the total
13 spending for overseas contingency operations in
14 the security category and the nonsecurity cat-
15 egory.”.

16 (c) CONFORMING AMENDMENT.—Section
17 251(b)(2)(A) of such Act (2 U.S.C. 901(b)(2)(A)) is
18 amended to read as follows:

19 “(A) EMERGENCY APPROPRIATIONS.—If,
20 for any fiscal year, appropriations for discre-
21 tionary accounts are enacted that the Congress
22 designates as emergency requirements in stat-
23 ute on an account by account basis and the
24 President subsequently so designates, the ad-
25 justment shall be the total of such appropria-

1 tions in discretionary accounts designated as
2 emergency requirements.”.

○