

112TH CONGRESS
2D SESSION

S. 3680

To amend the Internal Revenue Code of 1986 to modify and extend the making work pay credit.

IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2012

Mr. HARKIN (for himself, Mr. UDALL of New Mexico, and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify and extend the making work pay credit.

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 “2013 Making Working
5 Pay Credit Act”.

6 **SEC. 2. EXTENSION AND MODIFICATION OF MAKING WORK**
7 **PAY CREDIT.**

8 (a) EXTENSION.—

1 (1) IN GENERAL.—Subsection (e) of section
2 36A of the Internal Revenue Code of 1986 is
3 amended to read as follows:

4 “(e) TERMINATION.—This section shall not apply—

5 “(1) to taxable years beginning after December
6 31, 2010, and before January 1, 2013, and

7 “(2) to taxable years beginning after December
8 31, 2013.”.

9 (2) TREATMENT OF POSSESSIONS.—Paragraph
10 (1) of section 1001 of division B of the American
11 Recovery and Reinvestment Act of 2009 is amended
12 by striking “beginning in 2009 and 2010” each
13 place it appears and inserting “to which section 36A
14 of the Internal Revenue Code of 1986 applies”.

15 (b) MODIFICATION OF CREDIT.—

16 (1) CREDIT AMOUNT.—Subsection (a) of section
17 36A of such Code is amended—

18 (A) in paragraph (1), by striking “6.2 per-
19 cent” and inserting “6.0 percent”, and

20 (B) in paragraph (2), by striking “\$400
21 (\$800” and inserting “\$800 (\$1,600”.

22 (2) LIMITATION BASED ON MODIFIED AD-
23 JUSTED GROSS INCOME.—

24 (A) IN GENERAL.—Section 36A(b) of such
25 Code is amended by redesignating paragraph

1 (2) as paragraph (3) and by striking paragraph
 2 (1) and inserting the following:

3 “(1) IN GENERAL.—The amount allowable as a
 4 credit under subsection (a) (determined without re-
 5 gard to this subsection and subsection (c)) for the
 6 taxable year shall be reduced (but not below zero) by
 7 the amount determined under paragraph (2).

8 “(2) AMOUNT OF REDUCTION.—

9 “(A) IN GENERAL.—The amount deter-
 10 mined under this paragraph is the amount
 11 which bears the same ratio to the amount which
 12 would be so allowable as—

13 “(i) the excess of—

14 “(I) the taxpayer’s modified ad-
 15 justed gross income for such taxable
 16 year, over

17 “(II) \$60,000, bears to

18 “(ii) \$30,000.

19 “(B) JOINT RETURNS.—In the case of a
 20 joint return, subparagraph (A) shall be ap-
 21 plied—

22 “(i) by substituting ‘\$90,000’ for
 23 ‘\$60,000’ in clause (i)(II) thereof, and

24 “(ii) by substituting ‘\$60,000’ for
 25 ‘\$30,000’ in clause (ii) thereof.

1 “(C) MARRIED FILING SEPARATELY.—In
2 the case of a married individual filing a sepa-
3 rate return, subparagraph (A) shall be applied
4 by substituting ‘\$45,000’ for ‘\$60,000’ in
5 clause (i)(II) thereof.”.

6 (B) CONFORMING AMENDMENT.—Para-
7 graph (3) of section 36A(b) of such Code, as re-
8 designated by subparagraph (A), is amended by
9 striking “subparagraph (A)” and inserting
10 “this subsection”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2012.

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