II

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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "2013 Making Working Pay Credit Act".

SEC. 2. EXTENSION AND MODIFICATION OF MAKING WORK PAY CREDIT.

(a) EXTENSION.—

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

"(e) TERMINATION.—This section shall not apply—

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

"(2) to taxable years beginning after December 31, 2013.".

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

(b) MODIFICATION OF CREDIT.—

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

(A) in paragraph (1), by striking "6.2 percent" and inserting "6.0 percent", and

(B) in paragraph (2), by striking "$400 ($800" and inserting "$800 ($1,600".

(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

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

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

"(1) IN GENERAL.—The amount allowable as a credit under subsection (a) (determined without regard to this subsection and subsection (c)) for the taxable year shall be reduced (but not below zero) by the amount determined under paragraph (2).

"(2) AMOUNT OF REDUCTION.—

"(A) IN GENERAL.—The amount determined under this paragraph is the amount which bears the same ratio to the amount which would be so allowable as—

"(i) the excess of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $60,000, bears to

"(ii) $30,000.

"(B) JOINT RETURNS.—In the case of a joint return, subparagraph (A) shall be applied—

"(i) by substituting '$90,000' for '$60,000' in clause (i)(II) thereof, and

"(ii) by substituting '$60,000' for '$30,000' in clause (ii) thereof.

"(C) MARRIED FILING SEPARATELY.—In the case of a married individual filing a separate return, subparagraph (A) shall be applied by substituting '$45,000' for '$60,000' in clause (i)(II) thereof.".

(B) CONFORMING AMENDMENT.—Paragraph (3) of section 36A(b) of such Code, as redesignated by subparagraph (A), is amended by striking "subparagraph (A)" and inserting "this subsection".

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

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