

114TH CONGRESS
1ST SESSION

H. R. 144

To amend the Internal Revenue Code of 1986 to establish a maximum rate of Federal, State, and local tax imposed on taxpayers.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2015

Mr. JOLLY 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 establish a maximum rate of Federal, State, and local tax imposed on taxpayers.

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 “Alternative Maximum
5 Tax Act” or the “Max Tax Act”.

6 **SEC. 2. MAXIMUM TAX IMPOSED.**

7 (a) IN GENERAL.—Part I of subchapter A of chapter
8 1 of the Internal Revenue Code of 1986 is amended by
9 inserting after section 3 the following new section:

1 **“SEC. 4. MAXIMUM TAX IMPOSED.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of this subtitle, the tax imposed under this chapter
4 on a taxpayer other than a corporation for the taxable
5 year shall not exceed the amount which, when added to
6 the tax amounts described in subsection (b), bears the
7 same ratio as 50 percent of adjusted gross income of the
8 taxpayer for the taxable year bears to the adjusted gross
9 income of the taxpayer for the taxable year.

10 “(b) TAX AMOUNTS DESCRIBED.—For purposes of
11 this section, the tax amounts described in this subsection
12 are the amounts of tax paid for any period (or allocable
13 portion thereof) in the taxable year under any of the fol-
14 lowing Federal, State, or local taxes:

15 “(1) Air transportation taxes.

16 “(2) Biodiesel fuel taxes.

17 “(3) Cigarette taxes.

18 “(4) Medicare tax.

19 “(5) Social Security tax.

20 “(6) Estate taxes.

21 “(7) Insurance taxes, including insurance pre-
22 mium taxes, excise taxes on comprehensive health
23 insurance plans, and individual health insurance
24 mandate taxes.

25 “(8) Federal unemployment taxes.

26 “(9) Garbage taxes.

1 “(10) Gasoline taxes.

2 “(11) Gift taxes.

3 “(12) Hotel taxes.

4 “(13) Import taxes.

5 “(14) Income tax, including city, State, and
6 county.

7 “(15) Inheritance taxes.

8 “(16) Interstate user diesel fuel taxes.

9 “(17) Inventory taxes.

10 “(18) Liquor taxes.

11 “(19) Luxury taxes.

12 “(20) Medicare taxes.

13 “(21) Taxes enacted under the Patient Protec-
14 tion and Affordable Care Act, including the indi-
15 vidual mandate excise tax and the Medicare tax sur-
16 charge on investment income of high earning Ameri-
17 cans.

18 “(22) Tangible personal property taxes.

19 “(23) Real estate taxes.

20 “(24) Sales taxes.

21 “(25) Self-employment taxes.

22 “(26) Service charge taxes.

23 “(27) Sewer and water taxes.

24 “(28) Special assessments (city and county).

25 “(29) State unemployment taxes (SUTA).

1 “(30) Tanning taxes.

2 “(31) Telephone-related taxes, including tele-
3 phone 911 service taxes, telephone Federal excise
4 taxes, telephone Federal universal service fee taxes,
5 telephone minimum usage surcharge taxes, telephone
6 State and local taxes, telephone universal access
7 taxes.

8 “(32) Tire taxes.

9 “(33) Use taxes (city, county, and State).

10 “(34) Utility taxes.

11 “(35) Vehicle registration taxes.

12 “(36) Waste management taxes.

13 “(37) Workers compensation taxes.

14 “(c) REGULATIONS.—The Secretary shall prescribe
15 such regulations as may be necessary to carry out this
16 section.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for part I of subchapter A of chapter 1 of the Internal
19 Revenue Code of 1986 is amended by inserting after the
20 item relating to section 3 the following new item:

“Sec. 4. Maximum tax imposed.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 the date of the enactment of this Act.

○