

114TH CONGRESS
1ST SESSION

H. R. 389

To amend the Internal Revenue Code of 1986 to impose increased rates of tax with respect to taxpayers with more than \$1,000,000 taxable income, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2015

Ms. SCHAKOWSKY (for herself, Mr. CONYERS, Mr. CUMMINGS, Mr. ELLISON, Mr. GRIJALVA, Mr. GUTIÉRREZ, Ms. LEE, Mr. McDERMOTT, Mr. NADLER, and Ms. NORTON) 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 impose increased rates of tax with respect to taxpayers with more than \$1,000,000 taxable income, 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 “Fairness in Taxation
5 Act of 2015”.

1 **SEC. 2. INCREASED TAX RATES FOR TAXPAYERS WITH**
 2 **MORE THAN \$1,000,000 TAXABLE INCOME.**

3 (a) IN GENERAL.—

4 (1) MARRIED INDIVIDUALS FILING JOINT RE-
 5 TURNS AND SURVIVING SPOUSES.—The table con-
 6 tained in subsection (a) of section 1 of the Internal
 7 Revenue Code of 1986 is amended to read as fol-
 8 lows:

If taxable income is:	The tax is:
Not over \$17,850	10% of taxable income.
Over \$17,850 but not over \$72,500.	\$1,785, plus 15% of the excess over \$17,850.
Over \$72,500 but not over \$146,400.	\$9,982.50, plus 25% of the excess over \$72,500.
Over \$146,400 but not over \$223,050.	\$28,457.50, plus 28% of the excess over \$146,400.
Over \$223,050 but not over \$398,350.	\$49,919.50, plus 33% of the excess over \$223,050.
Over \$398,350 but not over \$450,000.	\$107,768.50, plus 35% of the excess over \$398,350.
Over \$450,000 but not over \$1,000,000.	\$125,846, plus 39.6% of the excess over \$450,000.
Over \$1,000,000 but not over \$10,000,000.	\$343,646, plus 45% of the excess over \$1,000,000.
Over \$10,000,000 but not over \$20,000,000.	\$4,393,646, plus 46% of the excess over \$10,000,000.
Over \$20,000,000 but not over \$100,000,000.	\$8,993,646, plus 47% of the excess over \$20,000,000.
Over \$100,000,000 but not over \$1,000,000,000.	\$46,593,646, plus 48% of the excess over \$100,000,000.
Over \$1,000,000,000	\$478,593,646, plus 49% over the excess over \$1,000,000,000.

9 (2) HEADS OF HOUSEHOLD.—The table con-
 10 tained in subsection (b) of section 1 of such Code is
 11 amended to read as follows:

If taxable income is:	The tax is:
Not over \$12,750	10% of taxable income.
Over \$12,750 but not over \$48,600.	\$1,275, plus 15% of the excess over \$12,750.
Over \$48,600 but not over \$125,450.	\$6,652.50, plus 25% of the excess over \$48,600.

If taxable income is:

Over \$125,450 but not over \$203,150.
 Over \$203,150 but not over \$398,350.
 Over \$398,350 but not over \$425,000.
 Over \$425,000 but not over \$1,000,000.
 Over \$1,000,000 but not over \$10,000,000.
 Over \$10,000,000 but not over \$20,000,000.
 Over \$20,000,000 but not over \$100,000,000.
 Over \$100,000,000 but not over \$1,000,000,000.
 Over \$1,000,000,000

The tax is:

\$25,865, plus 28% of the excess over \$125,450.
 \$47,621, plus 33% of the excess over \$203,150.
 \$112,037, plus 35% of the excess over \$398,350.
 \$121,364.50, plus 39.6% of the excess over \$425,000.
 \$349,064.50, plus 45% of the excess over \$1,000,000.
 \$4,399,064.50, plus 46% of the excess over \$10,000,000.
 \$8,999,064.50, plus 47% of the excess over \$20,000,000.
 \$46,599,064.50, plus 48% of the excess over \$100,000,000.
 \$478,599,064.50, plus 49% of the excess over \$1,000,000,000.

1 (3) UNMARRIED INDIVIDUALS (OTHER THAN
 2 SURVIVING SPOUSES AND HEADS OF HOUSE-
 3 HOLDS).—The table contained in subsection (c) of
 4 section 1 of such Code is amended to read as fol-
 5 lows:

If taxable income is:

Not over \$8,925
 Over \$8,925 but not over \$36,250

 Over \$36,250 but not over \$87,850.
 Over \$87,850 but not over \$183,250.
 Over \$183,250 but not over \$398,350.
 Over \$398,350 but not over \$400,000.
 Over \$400,000 but not over \$1,000,000.
 Over \$1,000,000 but not over \$10,000,000.
 Over \$10,000,000 but not over \$20,000,000.
 Over \$20,000,000 but not over \$100,000,000.
 Over \$100,000,000 but not over \$1,000,000,000.
 Over \$1,000,000,000

The tax is:

10% of taxable income.
 \$892.50, plus 15% of the excess over \$8,925.
 \$4,991.25, plus 25% of the excess over \$36,250.
 \$17,891.25, plus 28% of the excess over \$87,850.
 \$44,603.25, plus 33% of the excess over \$183,250.
 \$115,586.25, plus 35% of the excess over \$398,350.
 \$116,163.75, plus 39.6% of the excess over \$400,000.
 \$353,763.75, plus 45% of the excess over \$1,000,000.
 \$4,403,763.75, plus 46% of the excess over \$10,000,000.
 \$9,003,763.75, plus 47% of the excess over \$20,000,000.
 \$46,603,763.75, plus 48% of the excess over \$100,000,000.
 \$478,603,763.75, plus 49% of the excess 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:	The tax is:
Not over \$8,925	10% of taxable income.
Over \$8,925 but not over \$36,250	\$892.50, plus 15% of the excess over \$8,925.
Over \$36,250 but not over \$73,200.	\$4,991.25, plus 25% of the excess over \$36,250.
Over \$73,200 but not over \$111,525.	\$14,228.75, plus 28% of the excess over \$73,200.
Over \$111,525 but not over \$199,175.	\$24,959.75, plus 33% of the excess over \$111,525.
Over \$199,175 but not over \$225,000.	\$53,884.25, plus 35% of the excess over \$199,175.
Over \$225,000 but not over \$500,000.	\$62,923, plus 39.6% of the excess over \$225,000.
Over \$500,000 but not over \$5,000,000.	\$171,823, plus 45% of the excess over \$500,000.
Over \$5,000,000 but not over \$10,000,000.	\$2,196,823, plus 46% of the excess over \$5,000,000.
Over \$10,000,000 but not over \$50,000,000.	\$4,496,823, plus 47% of the excess over \$10,000,000.
Over \$50,000,000 but not over \$500,000,000.	\$23,296,823, plus 48% of the excess over \$50,000,000.
Over \$500,000,000	\$239,296,823, plus 49% of the excess over \$500,000,000.

5 (5) INFLATION ADJUSTMENT.—Subsection (f)
 6 of section 1 of such Code is amended by adding at
 7 the end the following new paragraph:
 8 “(9) SPECIAL RULE FOR TAXABLE YEARS BE-
 9 GINNING AFTER 2015.—In prescribing the tables
 10 under paragraph (1) which apply with respect to
 11 taxable years beginning in a calendar year after
 12 2015, the cost-of-living adjustment under paragraph
 13 (3) shall be determined by substituting ‘2014’ for
 14 ‘1992’ in subparagraph (B) thereof.”.

1 (6) CONFORMING AMENDMENT.—Section 1 of
2 such Code is amended by striking subsection (i).

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

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

9 “(j) SPECIAL RULE FOR CAPITAL GAINS IN CASE OF
10 TAXABLE INCOME SUBJECT TO AT LEAST 45-PERCENT
11 RATE BRACKET.—If for the taxable year a taxpayer has
12 taxable income in excess of the minimum dollar amount
13 for the 45-percent rate bracket and has a net capital gain,
14 then—

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

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

21 “(A) such excess, or

22 “(B) the net capital gain for the taxable
23 year.

24 Any reduction in net capital gain under the pre-
25 ceding sentence shall be allocated between adjusted

1 net capital gain, unrecaptured 1250 gain, and sec-
2 tion 1202 gain in amounts proportionate to the
3 amounts of each such gain. Any term used in this
4 subsection which is also used in subsection (h) shall
5 have the meaning given such term in subsection
6 (h).”.

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

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2014.

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