

115TH CONGRESS
1ST SESSION

H. R. 2078

To amend the Internal Revenue Code of 1986 to simplify individual income and corporate tax rates, to set a maximum on the capital gains rate, to make permanent the deduction for dividends received for repatriated foreign earnings, to reduce the rate of payroll and self-employment taxes, to make 100-percent bonus depreciation permanent, and to repeal the Federal estate and gift taxes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2017

Mr. WILLIAMS 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 simplify individual income and corporate tax rates, to set a maximum on the capital gains rate, to make permanent the deduction for dividends received for repatriated foreign earnings, to reduce the rate of payroll and self-employment taxes, to make 100-percent bonus depreciation permanent, and to repeal the Federal estate and gift taxes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Jump Start America Act of 2017”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SIMPLIFIED INDIVIDUAL INCOME TAX RATES

Sec. 101. Simplified individual income tax rates.

TITLE II—20-PERCENT CORPORATE TAX RATE

Sec. 201. 20-percent corporate tax rate.

TITLE III—15-PERCENT MAXIMUM CAPITAL GAINS RATE

Sec. 301. 15-percent maximum capital gains rate.

TITLE IV—MODIFICATION AND PERMANENT EXTENSION OF THE
INCENTIVES TO REINVEST FOREIGN EARNINGS IN THE
UNITED STATES

Sec. 401. Modification and permanent extension of the incentives to reinvest
foreign earnings in the United States.

TITLE V—BONUS DEPRECIATION INCREASED TO 100 PERCENT
AND MADE PERMANENT

Sec. 501. Bonus depreciation increased to 100 percent and made permanent.

TITLE VI—FICA AND SECA TAX RATE REDUCTIONS

Sec. 601. FICA tax rate reductions.

Sec. 602. SECA tax rate reductions.

TITLE VII—REPEAL OF ESTATE AND GIFT TAXES

Sec. 701. Repeal of estate and gift taxes.

6 **TITLE I—SIMPLIFIED**
7 **INDIVIDUAL INCOME TAX RATES**

8 **SEC. 101. SIMPLIFIED INDIVIDUAL INCOME TAX RATES.**

9 (a) IN GENERAL.—Section 1(i) of the Internal Rev-
10 enue Code of 1986 is amended by striking paragraphs (2)
11 and (3), by redesignating paragraph (4) as paragraph (3),

1 and by inserting after paragraph (1) the following new
2 paragraph:

3 “(2) 20- AND 30-PERCENT RATE BRACKETS.—

4 “(A) IN GENERAL.—In the case of taxable
5 years beginning after December 31, 2015, the
6 rate of tax under subsections (a), (b), (c), and
7 (d) on taxable income which would (without re-
8 gard to this paragraph) be taxed at a rate over
9 15 percent shall be—

10 “(i) 20 percent on taxable income not
11 over \$1,000,000, and

12 “(ii) 30 percent on taxable income
13 over \$1,000,000.

14 “(B) INFLATION ADJUSTMENT.—In pre-
15 scribing the tables under subsection (f) which
16 apply with respect to taxable years beginning
17 after 2016, the \$1,000,000 amount in subpara-
18 graph (A) shall be increased by an amount
19 equal to—

20 “(i) such dollar amount, multiplied by

21 “(ii) the cost-of-living adjustment de-
22 termined under subsection (f)(3) for the
23 calendar year in which the taxable year be-
24 gins determined by substituting ‘calendar

1 year 2015’ for ‘calendar year 1992’ in sub-
 2 paragraph (B) thereof.

3 If any adjustment under the preceding sentence
 4 is not a multiple of \$100, such amount shall be
 5 rounded to the next lowest multiple of \$100.”.

6 (b) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to taxable years beginning after
 8 December 31, 2017.

9 **TITLE II—20-PERCENT** 10 **CORPORATE TAX RATE**

11 **SEC. 201. 20-PERCENT CORPORATE TAX RATE.**

12 (a) IN GENERAL.—Subsection (b) of section 11 of the
 13 Internal Revenue Code of 1986 is amended to read as fol-
 14 lows:

15 “(b) AMOUNT OF TAX.—The amount of the tax im-
 16 posed by subsection (a) shall be 20 percent of taxable in-
 17 come.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Paragraphs (2)(B) and (6)(A)(ii) of section
 20 860E(e) of such Code are each amended by striking
 21 “section 11(b)(1)” and inserting “section 11(b)”.

22 (2)(A) Section 1445(e)(1) of such Code is
 23 amended—

1 (i) by striking “35 percent” and in-
2 serting “the rate of tax in effect for the
3 taxable year under section 11(b)”, and

4 (ii) by striking “of the gain” and in-
5 serting “multiplied by the gain”.

6 (B) Section 1445(e)(2) of such Code is amend-
7 ed by striking “35 percent of the amount” and in-
8 serting “the rate of tax in effect for the taxable year
9 under section 11(b) multiplied by the amount”.

10 (C) Section 1445(e)(6) of such Code is amend-
11 ed—

12 (i) by striking “35 percent” and inserting
13 “the rate of tax in effect for the taxable year
14 under section 11(b)”, and

15 (ii) by striking “of the amount” and in-
16 serting “multiplied by the amount”.

17 (D) Section 1446(b)(2)(B) of such Code is
18 amended by striking “section 11(b)(1)” and insert-
19 ing “section 11(b)”.

20 (3) Section 852(b)(1) of such Code is amended
21 by striking the last sentence.

22 (4) Section 7874(e)(1)(B) of such Code is
23 amended by striking “section 11(b)(1)” and insert-
24 ing “section 11(b)”.

25 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as otherwise pro-
 2 vided in this subsection, the amendments made by
 3 this section shall apply to taxable years beginning
 4 after December 31, 2017.

5 (2) WITHHOLDING.—The amendments made by
 6 subsection (b)(2) shall apply to distributions made
 7 after December 31, 2017.

8 **TITLE III—15-PERCENT** 9 **MAXIMUM CAPITAL GAINS RATE**

10 **SEC. 301. 15-PERCENT MAXIMUM CAPITAL GAINS RATE.**

11 (a) IN GENERAL.—Section 1(h)(1) of the Internal
 12 Revenue Code of 1986 is amended by striking subpara-
 13 graphs (C) and (D), by redesignating subparagraphs (E)
 14 and (F) as subparagraphs (D) and (E), respectively, and
 15 by inserting after subparagraph (B) the following new
 16 subparagraph:

17 “(C) 15 percent of the adjusted net capital
 18 gain (or, if less, taxable income) in excess of the
 19 amount on which a tax is determined under
 20 subparagraph (B).”.

21 (b) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2017.

1 **TITLE IV—MODIFICATION AND**
2 **PERMANENT EXTENSION OF**
3 **THE INCENTIVES TO REIN-**
4 **VEST FOREIGN EARNINGS IN**
5 **THE UNITED STATES**

6 **SEC. 401. MODIFICATION AND PERMANENT EXTENSION OF**
7 **THE INCENTIVES TO REINVEST FOREIGN**
8 **EARNINGS IN THE UNITED STATES.**

9 (a) REPATRIATION SUBJECT TO 5-PERCENT TAX
10 RATE.—Section 965(a)(1) of the Internal Revenue Code
11 of 1986 is amended by striking “85 percent” and inserting
12 “85.7 percent”.

13 (b) PERMANENT EXTENSION TO ELECT REPATRI-
14 ATION.—Section 965(f) of such Code is amended to read
15 as follows:

16 “(f) ELECTION.—The taxpayer may elect to apply
17 this section to any taxable year only if made on or before
18 the due date (including extensions) for filing the return
19 of tax for such taxable year.”.

20 (c) REPATRIATION INCLUDES CURRENT AND ACCU-
21 MULATED FOREIGN EARNINGS.—

22 (1) IN GENERAL.—Section 965(b)(1) of such
23 Code is amended to read as follows:

24 “(1) IN GENERAL.—The amount of dividends
25 taken into account under subsection (a) shall not ex-

ceed the sum of the current and accumulated earnings and profits described in section 959(c)(3) for the year a deduction is claimed under subsection (a), without diminution by reason of any distributions made during the election year, for all controlled foreign corporations of the United States shareholder.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 965(b) of such Code is amended by striking paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(B) Section 965(c) of such Code is amended by striking paragraphs (1) and (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (1), (2), and (3), respectively.

(C) Section 965(c)(3) of such Code, as redesignated by subparagraph (B), is amended to read as follows:

“(3) CONTROLLED GROUPS.—All United States shareholders which are members of an affiliated group filing a consolidated return under section 1501 shall be treated as one United States shareholder.”.

(d) CLERICAL AMENDMENTS.—

1 (1) The heading for section 965 of such Code
2 is amended by striking “**TEMPORARY**”.

3 (2) The table of sections for subpart F of part
4 III of subchapter N of chapter 1 of such Code is
5 amended by striking “Temporary dividends” and in-
6 serting “Dividends”.

7 (e) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years ending after the
9 date of the enactment of this Act.

10 **TITLE V—BONUS DEPRECIATION**
11 **INCREASED TO 100 PERCENT**
12 **AND MADE PERMANENT**

13 **SEC. 501. BONUS DEPRECIATION INCREASED TO 100 PER-**
14 **CENT AND MADE PERMANENT.**

15 (a) INCREASE.—Section 168(k)(1)(A) of the Internal
16 Revenue Code of 1986 is amended by striking “50 per-
17 cent” and inserting “100 percent”.

18 (b) MADE PERMANENT.—Section 168(k)(2) of the
19 Internal Revenue Code of 1986 is amended to read as fol-
20 lows:

21 “(2) QUALIFIED PROPERTY.—For purposes of
22 this subsection—

23 “(A) IN GENERAL.—The term ‘qualified
24 property’ means property—

1 “(i)(I) to which this section applies
 2 which has a recovery period of 20 years or
 3 less,

4 “(II) which is computer software (as
 5 defined in section 167(f)(1)(B)) for which
 6 a deduction is allowable under section
 7 167(a) without regard to this subsection,

8 “(III) which is water utility property,
 9 or

10 “(IV) which is qualified leasehold im-
 11 provement property, and

12 “(ii) the original use of which com-
 13 mences with the taxpayer.

14 “(B) EXCEPTION FOR ALTERNATIVE DE-
 15 PRECIATION PROPERTY.—The term ‘qualified
 16 property’ shall not include any property to
 17 which the alternative depreciation system under
 18 subsection (g) applies, determined—

19 “(i) without regard to paragraph (7)
 20 of subsection (g) (relating to election to
 21 have system apply), and

22 “(ii) after application of section
 23 280F(b) (relating to listed property with
 24 limited business use).

25 “(C) SPECIAL RULES.—

1 “(i) SALE-LEASEBACKS.—For pur-
2 poses of clause (ii) and subparagraph
3 (A)(ii), if property is—

4 “(I) originally placed in service
5 by a person, and

6 “(II) sold and leased back by
7 such person within 3 months after the
8 date such property was originally
9 placed in service,

10 such property shall be treated as originally
11 placed in service not earlier than the date
12 on which such property is used under the
13 leaseback referred to in subclause (II).

14 “(ii) SYNDICATION.—For purposes of
15 subparagraph (A)(ii), if—

16 “(I) property is originally placed
17 in service by the lessor of such prop-
18 erty,

19 “(II) such property is sold by
20 such lessor or any subsequent pur-
21 chaser within 3 months after the date
22 such property was originally placed in
23 service (or, in the case of multiple
24 units of property subject to the same
25 lease, within 3 months after the date

1 the final unit is placed in service, so
2 long as the period between the time
3 the first unit is placed in service and
4 the time the last unit is placed in
5 service does not exceed 12 months),
6 and

7 “(III) the user of such property
8 after the last sale during such 3-
9 month period remains the same as
10 when such property was originally
11 placed in service,

12 such property shall be treated as originally
13 placed in service not earlier than the date
14 of such last sale.

15 “(D) COORDINATION WITH SECTION
16 280F.—For purposes of section 280F—

17 “(i) AUTOMOBILES.—In the case of a
18 passenger automobile (as defined in section
19 280F(d)(5)) which is qualified property,
20 the Secretary shall increase the limitation
21 under section 280F(a)(1)(A)(i) by \$8,000.

22 “(ii) LISTED PROPERTY.—The deduc-
23 tion allowable under paragraph (1) shall be
24 taken into account in computing any re-
25 capture amount under section 280F(b)(2).

1 “(iii) INFLATION ADJUSTMENT.—In
2 the case of any taxable year beginning in
3 a calendar year after 2018, the \$8,000
4 amount in clause (i) shall be increased by
5 an amount equal to—

6 “(I) such dollar amount, multi-
7 plied by

8 “(II) the automobile price infla-
9 tion adjustment determined under sec-
10 tion 280F(d)(7)(B)(i) for the calendar
11 year in which such taxable year begins
12 by substituting ‘2017’ for ‘1987’ in
13 subclause (II) thereof.

14 If any increase under the preceding sen-
15 tence is not a multiple of \$100, such in-
16 crease shall be rounded to the nearest mul-
17 tiple of \$100.

18 “(E) DEDUCTION ALLOWED IN COMPUTING
19 MINIMUM TAX.—For purposes of determining
20 alternative minimum taxable income under sec-
21 tion 55, the deduction under section 167 for
22 qualified property shall be determined without
23 regard to any adjustment under section 56.”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to property placed in service after
 3 December 31, 2017.

4 **TITLE VI—FICA AND SECA TAX** 5 **RATE REDUCTIONS**

6 **SEC. 601. FICA TAX RATE REDUCTIONS.**

7 (a) OLD-AGE, SURVIVORS, AND DISABILITY INSUR-
 8 ANCE.—Sections 3101(a) and 3111(a) of the Internal
 9 Revenue Code of 1986 are each amended by striking “6.2
 10 percent” and inserting “3.1 percent”.

11 (b) HOSPITAL INSURANCE.—

12 (1) EMPLOYEES.—Section 3101(b) of such
 13 Code is amended—

14 (A) by striking “1.45 percent” in para-
 15 graph (1) and inserting “0.725 percent”, and

16 (B) by striking “0.9 percent” in paragraph
 17 (2) and inserting “0.45 percent”.

18 (2) EMPLOYERS.—Section 3111(b) of such
 19 Code is amended by striking “1.45 percent” and in-
 20 serting “0.725 percent”.

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply remuneration paid after December
 23 31, 2017.

1 **SEC. 602. SECA TAX RATE REDUCTIONS.**

2 (a) OLD-AGE, SURVIVORS, AND DISABILITY INSUR-
 3 ANCE.—Section 1401(a) of the Internal Revenue Code of
 4 1986 is amended—

5 (1) by striking all that follows “for such taxable
 6 year” and inserting a period, and

7 (2) by striking “the following percent” and in-
 8 serting “6.2 percent”.

9 (b) HOSPITAL INSURANCE.—Section 1401(b) of such
 10 Code is amended—

11 (1) by striking all that follows “for such taxable
 12 year” in paragraph (1) and inserting a period,

13 (2) by striking “the following percent” in para-
 14 graph (1) and inserting “1.45 percent”, and

15 (3) by striking “0.9 percent” in paragraph
 16 (2)(A) and inserting “0.45”.

17 (c) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply with respect to remuneration re-
 19 ceived after December 31, 2017.

20 **TITLE VII—REPEAL OF ESTATE**
 21 **AND GIFT TAXES**

22 **SEC. 701. REPEAL OF ESTATE AND GIFT TAXES.**

23 (a) IN GENERAL.—Subtitle B of the Internal Rev-
 24 enue Code of 1986 (relating to estate, gift, and genera-
 25 tion-skipping taxes) is hereby repealed.

1 (b) EFFECTIVE DATE.—The repeal made by sub-
2 section (a) shall apply to estates of decedents dying, gifts
3 made, and generation-skipping transfers made after the
4 date of the enactment of this Act.

○