

115TH CONGRESS
1ST SESSION

S. 1210

To amend the Internal Revenue Code of 1986 to reduce tax rates across the board.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2017

Mr. ROUNDS (for himself and Mr. HOEVEN) 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 reduce tax rates across the board.

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. REDUCTION IN TAX RATES.**

4 (a) INDIVIDUAL TAX RATES.—

5 (1) IN GENERAL.—

6 (A) REDUCTION IN RATE FOR INITIAL
7 BRACKET AMOUNT.—Clause (i) of section
8 1(i)(1)(A) of the Internal Revenue Code of
9 1986 is amended by inserting “(8 percent for

1 taxable years beginning after December 31,
 2 2017)” after “10 percent”.

3 (B) REDUCTION IN RATE FOR 15-, 25-,
 4 28-, AND 33-PERCENT RATE BRACKETS.—Para-
 5 graph (2) of section 1(i) of such Code is
 6 amended to read as follows:

7 “(2) REDUCTION IN RATES.—The tables under
 8 subsections (a), (b), (c), (d), and (e) shall be ap-
 9 plied—

10 “(A) by substituting ‘13%’ for ‘15%’ each
 11 place it appears,

12 “(B) by substituting ‘23%’ for ‘28%’ each
 13 place it appears,

14 “(C) by substituting ‘26%’ for ‘31%’ each
 15 place it appears, and

16 “(D) by substituting ‘31%’ for ‘36%’ each
 17 place it appears.”.

18 (C) REDUCTION IN RATE FOR HIGHEST
 19 RATE BRACKETS.—Subparagraph (A) of section
 20 1(i)(3) of such Code is amended—

21 (i) by inserting “(33 percent for tax-
 22 able years beginning after December 31,
 23 2017)” after “35 percent” in clause (i),
 24 and

(ii) by inserting “(37.6 percent for taxable years beginning after December 31, 2017)” after “39.6 percent” in clause (ii).

(D) CONFORMING AMENDMENTS.—

(i) Subparagraph (B) of section 1(g)(7) of the Internal Revenue Code of 1986 is amended by striking “10 percent” and inserting “8 percent”.

(ii) Paragraph (1) of section 1(h) of such Code is amended—

(I) by striking “25 percent” in subparagraph (A)(ii)(I) and inserting “23 percent”,

(II) by striking “25 percent” in subparagraph (B)(i) and inserting “23 percent”, and

(III) by striking “39.6 percent” in subparagraph (C)(ii)(I) and inserting “37.6 percent”.

(iii) Section 3402(p)(2) of such Code is amended by striking “10 percent” and inserting “8 percent”.

(2) CAPITAL GAINS RATES.—

1 (A) IN GENERAL.—Paragraph (1) of sec-
2 tion 1(h) of the Internal Revenue Code of 1986
3 is amended—

4 (i) by striking “15 percent” in sub-
5 paragraph (C) and inserting “13 percent”,

6 (ii) by striking “20 percent” in sub-
7 paragraph (D) and inserting “18 percent”,

8 (iii) by striking “25 percent” in sub-
9 paragraph (E) and inserting “23 percent”,

10 and

11 (iv) by striking “28 percent” in sub-
12 paragraph (F) and inserting “26 percent”.

13 (B) RATE UNDER ALTERNATIVE MINIMUM
14 TAX.—Paragraph (3) of section 55(b) of such
15 Code is amended—

16 (i) by striking “15 percent” in sub-
17 paragraph (C) and inserting “13 percent”,

18 (ii) by striking “20 percent” in sub-
19 paragraph (D) and inserting “18 percent”,

20 and

21 (iii) by striking “25 percent” in sub-
22 paragraph (E) and inserting “23 percent”.

23 (C) CONFORMING AMENDMENTS.—The fol-
24 lowing sections are each amended by striking
25 “20 percent” and inserting “18 percent”:

1 (i) Section 1445(e)(1).

2 (ii) The second sentence of section
3 7518(g)(6)(A).

4 (iii) Section 53511(f)(2) of title 46,
5 United States Code.

6 (b) CORPORATE TAX RATES.—

7 (1) IN GENERAL.—Section 11(b) of the Internal
8 Revenue Code of 1986 is amended—

9 (A) in paragraph (1)—

10 (i) by striking “15 percent” in sub-
11 paragraph (A) inserting “13 percent”,

12 (ii) by striking “25 percent” in sub-
13 paragraph (B) and inserting “23 percent”,

14 (iii) by striking “34 percent” in sub-
15 paragraph (C) and inserting “32 percent”,

16 and

17 (iv) by striking “35 percent” in sub-
18 paragraph (C) and inserting “33 percent”,

19 and

20 (B) in paragraph (2), by striking “35 per-
21 cent” and inserting “33 percent”.

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 1201(a) of such Code is
24 amended by striking “35 percent” each place it
25 appears and inserting “33 percent”.

1 (B) Paragraphs (1) and (2) of section
2 1445(e) of such Code are each amended by
3 striking “35 percent” and inserting “33 per-
4 cent”.

5 (c) EFFECTIVE DATE.—

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

10 (2) AMENDMENTS RELATED TO WITH-
11 HOLDING.—The amendments made by subsections
12 (a)(1)(D)(iii) and (c)(2)(B) shall take effect on Jan-
13 uary 1, 2018.

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