

116TH CONGRESS  
1ST SESSION

# H. R. 2894

To amend the Internal Revenue Code of 1986 to increase the limitation on the deduction for State and local taxes, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2019

Mr. LIPINSKI introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the limitation on the deduction for State and local taxes, 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 “Save the State and  
5       Local Tax Deduction for Middle Class Families Act of  
6       2019”.

7       **SEC. 2. INCREASE IN LIMITATION ON DEDUCTION FOR**  
8       **STATE AND LOCAL TAXES.**

9       (a) IN GENERAL.—Section 164(b)(6)(B) of the Inter-  
10      nal Revenue Code of 1986 is amended by striking

1 “\$10,000 (\$5,000 in the case of a married individual filing  
 2 a separate return)” and inserting “\$15,000 (twice such  
 3 amount in the case of a joint return)”.

4 (b) INFLATION ADJUSTMENT.—Section 164(b)(6) of  
 5 such Code is amended—

6 (1) by striking “and” at the end of subpara-  
 7 graph (A), by striking the period at the end of sub-  
 8 paragraph (B) and inserting “, and”, and by insert-  
 9 ing after subparagraph (B) the following new sub-  
 10 paragraph:

11 “(C) in the case of a taxable year begin-  
 12 ning in a calendar year after 2019, the \$15,000  
 13 amount in subparagraph (B) shall be increased  
 14 by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-  
 17 termined under section 1(f)(3) for the cal-  
 18 endar year in which the taxable year be-  
 19 gins, determined by substituting ‘calendar  
 20 year 2018’ for ‘calendar year 2016’ in sub-  
 21 paragraph (A)(ii) thereof.”, and

22 (2) by adding at the end the following: “Any in-  
 23 crease determined under subparagraph (C) shall be  
 24 rounded to the nearest multiple of \$100.”

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2018.

4 **SEC. 3. INCREASE IN CORPORATE INCOME TAX RATE.**

5 (a) IN GENERAL.—Section 11(b) of the Internal Rev-  
6 enue Code of 1986 is amended by striking “21 percent  
7 of taxable income.” and inserting “the applicable percent-  
8 age of taxable income. For purposes of the preceding sen-  
9 tence, the term ‘applicable percentage’ means such per-  
10 centage as the Secretary determines (not later than 60  
11 days after the date of the enactment of this sentence) will  
12 result in an increase in revenues to the Treasury (relative  
13 to the revenues that the Secretary estimates would have  
14 been received in the Treasury if the applicable percentage  
15 were 21 percent) equal to the reduction in revenues to the  
16 Treasury which the Secretary estimates will occur by rea-  
17 son of the amendment made by section 2 of the Save the  
18 State and Local Tax Deduction for Middle Class Families  
19 Act of 2019.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2018.

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