

117TH CONGRESS
1ST SESSION

S. 126

To amend the Internal Revenue Code of 1986 to make permanent the individual tax provisions of the tax reform law, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 2021

Mr. CRUZ (for himself, Ms. ERNST, Mr. BRAUN, and Mr. INHOFE) 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 make permanent the individual tax provisions of the tax reform law, 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. PERMANENT MODIFICATION OF INDIVIDUAL**
4 **RATE BRACKETS.**

5 (a) **MARRIED INDIVIDUALS FILING JOINT RETURNS**
6 **AND SURVIVING SPOUSES.**—The table contained in sub-
7 section (a) of section 1 of the Internal Revenue Code of
8 1986 is amended to read as follows:

“If taxable income is:**The tax is:**

Not over \$19,050	10% of taxable income.
Over \$19,050 but not over \$77,400	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$600,000	\$91,379, plus 35% of the excess over \$400,000.
Over \$600,000	\$161,379, plus 37% of the excess over \$600,000.”.

1 (b) HEADS OF HOUSEHOLDS.—The table contained
2 in subsection (b) of section 1 of the Internal Revenue Code
3 of 1986 is amended to read as follows:

“If taxable income is:**The tax is:**

Not over \$13,600	10% of taxable income.
Over \$13,600 but not over \$51,800	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500	\$5,944, plus 22% of the excess over \$51,800.
Over \$82,500 but not over \$157,500	\$12,698, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$30,698, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000	\$44,298, plus 35% of the excess over \$200,000.
Over \$500,000	\$149,298, plus 37% of the excess over \$500,000.”.

4 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-
5 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The
6 table contained in subsection (c) of section 1 of the Inter-
7 nal Revenue Code of 1986 is amended to read as follows:

“If taxable income is:**The tax is:**

Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.

“If taxable income is:**The tax is:**

Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$500,000	\$150,689.50, plus 37% of the excess over \$500,000.”.

1 (d) MARRIED INDIVIDUALS FILING SEPARATE RE-
2 TURNS.—The table contained in subsection (d) of section
3 1 of the Internal Revenue Code of 1986 is amended to
4 read as follows:

“If taxable income is:**The tax is:**

Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$300,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$300,000	\$80,689.50, plus 37% of the excess over \$300,000.”.

5 (e) ESTATES AND TRUSTS.—The table contained in
6 subsection (e) of section 1 of the Internal Revenue Code
7 of 1986 is amended to read as follows:

“If taxable income is:**The tax is:**

Not over \$2,550	10% of taxable income.
Over \$2,550 but not over \$9,150	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,500	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,500	\$3,011.50, plus 37% of the excess over \$12,500.”.

1 (f) ADJUSTMENT FOR INFLATION.—Subsection (f) of
 2 section 1 of the Internal Revenue Code of 1986 is amend-
 3 ed—

4 (1) by striking “1993” in paragraph (1) and in-
 5 serting “2018”,

6 (2) by striking “determined—” and all that fol-
 7 lows in paragraph (2)(A) and inserting “determined
 8 by substituting ‘2017’ for ‘2016’ in paragraph
 9 (3)(A)(ii),”,

10 (3) by striking “a married individual filing a
 11 separate return” in paragraph (7)(B) and inserting
 12 “any unmarried individual other than a surviving
 13 spouse or head of household”,

14 (4) by striking “MARRIED INDIVIDUALS FILING
 15 SEPARATELY” in the heading of subparagraph (B) of
 16 paragraph (7) and inserting “CERTAIN UNMARRIED
 17 INDIVIDUALS”, and

18 (5) by striking paragraph (8).

19 (g) CAPITAL GAINS BRACKETS.—Subsection (h) of
 20 section 1 of the Internal Revenue Code of 1986 is amend-
 21 ed—

22 (1) by striking “which would (without regard to
 23 this paragraph) be taxed at a rate below 25 percent”
 24 in paragraph (1)(B)(i) and inserting “below the
 25 maximum zero rate amount”,

(2) by striking “which would (without regard to this paragraph) be taxed at a rate below 39.6 percent” in paragraph (1)(C)(ii)(I) and inserting “below the maximum 15-percent rate amount”, and

(3) by adding at the end the following new paragraph:

“(12) MAXIMUM AMOUNTS DEFINED.—For purposes of this subsection—

“(A) MAXIMUM ZERO RATE AMOUNT.—The maximum zero rate amount shall be—

“(i) in the case of a joint return or surviving spouse, \$77,200,

“(ii) in the case of an individual who is a head of household (as defined in section 2(b)), \$51,700,

“(iii) in the case of any other individual (other than an estate or trust), an amount equal to $\frac{1}{2}$ of the amount in effect for the taxable year under clause (i), and

“(iv) in the case of an estate or trust, \$2,600.

“(B) MAXIMUM 15-PERCENT RATE AMOUNT.—The maximum 15-percent rate amount shall be—

1 “(i) in the case of a joint return or
 2 surviving spouse, \$479,000 ($\frac{1}{2}$ such
 3 amount in the case of a married individual
 4 filing a separate return),

5 “(ii) in the case of an individual who
 6 is the head of a household (as defined in
 7 section 2(b)), \$452,400,

8 “(iii) in the case of any other indi-
 9 vidual (other than an estate or trust),
 10 \$425,800, and

11 “(iv) in the case of an estate or trust,
 12 \$12,700.

13 “(C) INFLATION ADJUSTMENT.—In the
 14 case of any taxable year beginning after 2018,
 15 each of the dollar amounts in subparagraphs
 16 (A) and (B) shall be increased by an amount
 17 equal to—

18 “(i) such dollar amount, multiplied by

19 “(ii) the cost-of-living adjustment de-
 20 termined under subsection (f)(3) for the
 21 calendar year in which the taxable year be-
 22 gins, determined by substituting ‘calendar
 23 year 2017’ for ‘calendar year 2016’ in sub-
 24 paragraph (A)(ii) thereof.

1 If any increase under this subparagraph is not
 2 a multiple of \$50, such increase shall be round-
 3 ed to the next lowest multiple of \$50.”.

4 (h) CONFORMING AMENDMENTS.—

5 (1) Section 1 of the Internal Revenue Code of
 6 1986 is amended by striking subsections (i) and (j).

7 (2) Section 3402(q)(1) of such Code is amend-
 8 ed by striking “third lowest” and inserting “fourth
 9 lowest”.

10 (i) SECTION 15 NOT TO APPLY.—Section 15 of the
 11 Internal Revenue Code of 1986 shall not apply to any
 12 change in a rate of tax by reason of this section.

13 (j) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to taxable years beginning after
 15 December 31, 2020.

16 **SEC. 2. PERMANENT EXTENSION OF DEDUCTION FOR**
 17 **QUALIFIED BUSINESS INCOME OF PASS-THRU**
 18 **ENTITIES.**

19 (a) IN GENERAL.—Section 199A of the Internal Rev-
 20 enue Code of 1986 is amended by striking subsection (i).

21 (b) EFFECTIVE DATE.—The amendment made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2020.

1 **SEC. 3. PERMANENT EXTENSION OF LIMITATION ON**
 2 **LOSSES FOR TAXPAYERS OTHER THAN COR-**
 3 **PORATIONS.**

4 (a) IN GENERAL.—Paragraph (1) of section 461(l)
 5 of the Internal Revenue Code of 1986 is amended to read
 6 as follows:

7 “(1) LIMITATION.—In the case of taxable year
 8 of a taxpayer other than a corporation, any excess
 9 business loss of the taxpayer for the taxable year
 10 shall not be allowed.”.

11 (b) CONFORMING AMENDMENT.—Section 461 of the
 12 Internal Revenue Code of 1986 is amended by striking
 13 subsection (j) (relating to limitation on excess farm losses
 14 of certain taxpayers).

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 December 31, 2020.

18 **SEC. 4. PERMANENT EXTENSION OF INCREASE IN STAND-**
 19 **ARD DEDUCTION.**

20 (a) IN GENERAL.—Section 63(c)(2) of the Internal
 21 Revenue Code of 1986 is amended—

22 (1) by striking “\$4,400” in subparagraph (B)
 23 and inserting “\$18,800”, and

24 (2) by striking “\$3,000” in subparagraph (C)
 25 and inserting “\$12,000”.

1 (b) INFLATION ADJUSTMENT.—Paragraph (4) of sec-
 2 tion 63(c) of the Internal Revenue Code of 1986 is amend-
 3 ed to read as follows:

4 “(4) ADJUSTMENTS FOR INFLATION.—

5 “(A) IN GENERAL.—In the case of any
 6 taxable year beginning in a calendar year after
 7 2018, the \$18,000 and \$12,000 amounts in
 8 subparagraph (A) shall each be increased by an
 9 amount equal to—

10 “(i) such dollar amount, multiplied by

11 “(ii) the cost-of-living adjustment de-
 12 termined under section 1(f)(3) for the cal-
 13 endar year in which the taxable year be-
 14 gins, by substituting ‘2017’ for ‘2016’ in
 15 subparagraph (A)(ii) thereof.

16 “(B) CERTAIN AMOUNTS.—In the case of
 17 any taxable year beginning in a calendar year
 18 after 1988, each dollar amount contained in
 19 paragraph (5) or subsection (f) shall be in-
 20 creased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
 23 termined under section 1(f)(3) for the cal-
 24 endar year in which the taxable year be-

1 gins, by substituting for ‘calendar year
2 2016’ in subparagraph (A)(ii) thereof—

3 “(I) ‘calendar year 1987’ in the
4 case of the dollar amounts contained
5 in paragraph (5)(A) or subsection (f),
6 and

7 “(II) ‘calendar year 1997’ in the
8 case of the dollar amount contained in
9 paragraph (5)(B).”.

10 (c) CONFORMING AMENDMENT.—Section 63(c) of the
11 Internal Revenue Code of 1986 is amended by striking
12 paragraph (7).

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2020.

16 **SEC. 5. PERMANENT INCREASE AND MODIFICATION OF**
17 **CHILD TAX CREDIT.**

18 (a) INCREASE IN CREDIT AMOUNT.—Section 24(a) of
19 the Internal Revenue Code of 1986 is amended by striking
20 “\$1,000” and inserting “\$2,000”.

21 (b) LIMITATION.—Paragraph (2) of section 24(b) of
22 the Internal Revenue Code of 1986 is amended to read
23 as follows:

24 “(2) THRESHOLD AMOUNT.—For purposes of
25 paragraph (1), the term ‘threshold amount’ means—

1 “(A) \$400,000 in the case of a joint re-
2 turn, and

3 “(B) \$200,000 in any other case.”.

4 (c) PARTIAL CREDIT ALLOWED FOR CERTAIN
5 OTHER DEPENDENTS.—Subsection (h) of section 24 of
6 the Internal Revenue Code of 1986 is amended to read
7 as follows:

8 “(h) PARTIAL CREDIT ALLOWED FOR CERTAIN
9 OTHER DEPENDENTS.—

10 “(1) IN GENERAL.—The credit determined
11 under subsection (a) shall be increased by \$500 for
12 each dependent of the taxpayer (as defined in sec-
13 tion 7706) other than a qualifying child described in
14 subsection (c).

15 “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—
16 Paragraph (1) shall not apply with respect to any
17 individual who would not be a dependent if subpara-
18 graph (A) of section 7706(b)(3) were applied with-
19 out regard to all that follows ‘resident of the United
20 States’.

21 “(3) CERTAIN QUALIFYING CHILDREN.—In the
22 case of any qualifying child with respect to whom a
23 credit is not allowed under this section by reason of
24 subsection (e)(1), such child shall be treated as a de-
25 pendent to whom subparagraph (A) applies.”.

1 (d) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—
 2 Subsection (d) of section 24 of the Internal Revenue Code
 3 of 1986 is amended by inserting after paragraph (2) the
 4 following new paragraph:

5 “(3) LIMITATION.—

6 “(A) IN GENERAL.—The amount deter-
 7 mined under paragraph (1)(A) with respect to
 8 any qualifying child shall not exceed \$1,400,
 9 and such paragraph shall be applied without re-
 10 gard to subsection (h).

11 “(B) ADJUSTMENT FOR INFLATION.—In
 12 the case of a taxable year beginning after 2018,
 13 the \$1,400 amount in subparagraph (A) shall
 14 be increased 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 ‘2017’ for
 20 ‘2016’ in subparagraph (A)(ii) thereof.

21 If any increase under this clause is not a mul-
 22 tiple of \$100, such increase shall be rounded to
 23 the next lowest multiple of \$100.”.

24 (e) EARNED INCOME THRESHOLD FOR REFUNDABLE
 25 CREDIT.—Section 24(d)(1)(B) of the Internal Revenue

1 Code of 1986 is amended by striking “\$3,000” and insert-
 2 ing “\$2,500”.

3 (f) SOCIAL SECURITY NUMBER REQUIRED.—Para-
 4 graph (1) of section 24(e) of the Internal Revenue Code
 5 of 1986 is amended to read as follows:

6 “(1) QUALIFYING CHILD SOCIAL SECURITY
 7 NUMBER REQUIREMENT.—No credit shall be allowed
 8 under this section to a taxpayer with respect to any
 9 qualifying child unless the taxpayer includes the
 10 name and social security number of such child on
 11 the return of tax for the taxable year. For purposes
 12 of the preceding sentence, the term ‘social security
 13 number’ means a social security number issued to an
 14 individual by the Social Security Administration, but
 15 only if the social security number is issued—

16 “(A) to a citizen of the United States or
 17 pursuant to subclause (I) (or that portion of
 18 subclause (III) that relates to subclause (I)) of
 19 section 205(c)(2)(B)(i) of the Social Security
 20 Act, and

21 “(B) before the due date for such return.”.

22 (g) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2020.

1 **SEC. 6. PERMANENT EXTENSION OF INCREASED LIMITA-**
 2 **TION FOR CERTAIN CHARITABLE CONTRIBU-**
 3 **TIONS.**

4 (a) IN GENERAL.—Section 170(b)(1)(G) of the Inter-
 5 nal Revenue Code of 1986 is amended—

6 (1) by striking “for any taxable year beginning
 7 after December 31, 2017, and before January 1,
 8 2026,” in clause (i),

9 (2) by striking “for any taxable year described
 10 in such clause” in clause (ii), and

11 (3) by striking “For each taxable year de-
 12 scribed in clause (i), and each taxable year to which
 13 any contribution under this subparagraph is carried
 14 over under clause (ii), subparagraph (A)” in clause
 15 (iii) and inserting “Subparagraph (A)”.

16 (b) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to contributions in taxable years
 18 beginning after December 31, 2025.

19 **SEC. 7. PERMANENT EXTENSION OF INCREASED CON-**
 20 **TRIBUTIONS TO ABLE ACCOUNTS.**

21 (a) IN GENERAL.—Section 529A(b)(2)(B)(ii) of the
 22 Internal Revenue Code of 1986 is amended by striking
 23 “before January 1, 2026”.

24 (b) ALLOWANCE OF SAVERS CREDIT.—Section
 25 25B(d)(1)(D) of the Internal Revenue Code of 1986 is
 26 amended by striking “before January 1, 2026,”.

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

4 **SEC. 8. PERMANENT EXTENSION OF ROLLOVERS TO ABLE**
 5 **PROGRAMS FROM 529 PROGRAMS.**

6 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is
 7 amended by striking “before January 1, 2026,”.

8 (b) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to distributions made after the
 10 date of the enactment of this Act.

11 **SEC. 9. PERMANENT EXTENSION OF TREATMENT OF CER-**
 12 **TAIN INDIVIDUALS PERFORMING SERVICES**
 13 **IN THE SINAI PENINSULA OF EGYPT.**

14 (a) IN GENERAL.—Subsection (c) of section 11026
 15 of Public Law 115–97 is amended—

16 (1) by striking “beginning before January 1,
 17 2026” in paragraph (1)(B), and

18 (2) by striking “beginning before January 1,
 19 2026” in paragraph (2)(B).

20 (b) EFFECTIVE DATE.—The amendments made by
 21 this section shall take effect on the date of the enactment
 22 of this Act.

1 **SEC. 10. PERMANENT EXTENSION OF TREATMENT OF STU-**
 2 **DENT LOANS DISCHARGED ON ACCOUNT OF**
 3 **DEATH OR DISABILITY.**

4 (a) IN GENERAL.—Subparagraph (A) of section
 5 108(f)(5) of the Internal Revenue Code of 1986 is amend-
 6 ed by striking “and before January 1, 2026,”.

7 (b) EFFECTIVE DATE.—The amendment made by
 8 this section shall apply to discharges of indebtedness after
 9 December 31, 2020.

10 **SEC. 11. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-**
 11 **TIONS.**

12 (a) IN GENERAL.—Part V of subchapter B of chapter
 13 1 of the Internal Revenue Code of 1986 is hereby repealed.

14 (b) DEFINITION OF DEPENDENT RETAINED.—Sec-
 15 tion 152 of the Internal Revenue Code of 1986, prior to
 16 repeal by subsection (a), is hereby redesignated as section
 17 7706 of such Code and moved to the end of chapter 79
 18 of such Code.

19 (c) APPLICATION TO ESTATES AND TRUSTS.—Sub-
 20 paragraph (C) of section 642(b)(2) of the Internal Rev-
 21 enue Code of 1986 is amended—

22 (1) by striking “the exemption amount under
 23 section 151(d)” in clause (i) and inserting “\$4,150”,
 24 and

25 (2) by striking clause (iii) and inserting the fol-
 26 lowing:

1 “(iii) INFLATION ADJUSTMENT.—In
 2 the case of any taxable year beginning in
 3 a calendar year after 2018, the \$4,150
 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 cost-of-living adjust-
 9 ment determined under section 1(f)(3)
 10 for the calendar year in which the tax-
 11 able begins, determined by sub-
 12 stituting ‘2017’ for ‘2016’ in subpara-
 13 graph (A)(ii) thereof.

14 If any increase determined under the pre-
 15 ceding sentence is not a multiple of \$100,
 16 such increase shall be rounded to the next
 17 lowest multiple of \$100.”.

18 (d) APPLICATION TO NONRESIDENT ALIENS.—Sec-
 19 tion 873(b) of the Internal Revenue Code of 1986 is
 20 amended by striking paragraph (3).

21 (e) MODIFICATION OF RETURN REQUIREMENT.—

22 (1) IN GENERAL.—Section 6012 of the Internal
 23 Revenue Code of 1986 is amended—

24 (A) by striking paragraph (1) of subsection

25 (a) and inserting the following:

1 “(1) Every individual who has gross income for
2 the taxable year, except that a return shall not be
3 required of—

4 “(A) an individual who is not married (de-
5 termined by applying section 7703) and who
6 has gross income for the taxable year which
7 does not exceed the standard deduction applica-
8 ble to such individual for such taxable year
9 under section 63, or

10 “(B) an individual entitled to make a joint
11 return if—

12 “(i) the gross income of such indi-
13 vidual, when combined with the gross in-
14 come of such individual’s spouse, for the
15 taxable year does not exceed the standard
16 deduction which would be applicable to the
17 taxpayer for such taxable year under sec-
18 tion 63 if such individual and such individ-
19 ual’s spouse made a joint return,

20 “(ii) such individual and such individ-
21 ual’s spouse have the same household as
22 their home at the close of the taxable year,

23 “(iii) such individual’s spouse does not
24 make a separate return, and

1 “(iv) neither such individual nor such
 2 individual’s spouse is an individual de-
 3 scribed in section 63(c)(2) who has income
 4 (other than earned income) in excess of the
 5 amount in effect under section
 6 63(c)(2)(A).”, and
 7 (B) by striking subsection (f).

8 (2) BANKRUPTCY ESTATES.—Paragraph (8) of
 9 section 6012(a) of such Code is amended by striking
 10 “the sum of the exemption amount plus the basic
 11 standard deduction under section 63(c)(2)(D)” and
 12 inserting “the standard deduction in effect under
 13 section 63(c)(1)(B)”.

14 (f) CONFORMING AMENDMENTS.—

15 (1) Section 2(a)(1)(B) of the Internal Revenue
 16 Code of 1986 is amended by striking “a dependent”
 17 and all that follows through “section 151” and in-
 18 serting “a dependent who (within the meaning of
 19 section 7706, determined without regard to sub-
 20 sections (b)(1), (b)(2), and (d)(1)(B) thereof) is a
 21 son, stepson, daughter, or stepdaughter of the tax-
 22 payer”.

23 (2) Section 36B(b)(2)(A) of such Code is
 24 amended by striking “section 152” and inserting
 25 “section 7706”.

1 (3) Section 36B(b)(3)(B) of such Code is
2 amended by striking “unless a deduction is allowed
3 under section 151 for the taxable year with respect
4 to a dependent” in the flush matter at the end and
5 inserting “unless the taxpayer has a dependent for
6 the taxable year”.

7 (4) Section 36B(c)(1)(D) of such Code is
8 amended by striking “with respect to whom a deduc-
9 tion under section 151 is allowable to another tax-
10 payer” and inserting “who is a dependent of another
11 taxpayer”.

12 (5) Section 36B(d)(1) of such Code is amended
13 by striking “equal to the number of individuals for
14 whom the taxpayer is allowed a deduction under sec-
15 tion 151 (relating to allowance of deduction for per-
16 sonal exemptions) for the taxable year” and insert-
17 ing “the sum of 1 (2 in the case of a joint return)
18 plus the number of the taxpayer’s dependents for
19 the taxable year”.

20 (6) Section 36B(e)(1) of such Code is amended
21 by striking “1 or more individuals for whom a tax-
22 payer is allowed a deduction under section 151 (re-
23 lating to allowance of deduction for personal exemp-
24 tions) for the taxable year (including the taxpayer or
25 his spouse)” and inserting “1 or more of the tax-

1 payer, the taxpayer’s spouse, or any dependent of
2 the taxpayer”.

3 (7) Section 42(i)(3)(D)(ii)(I) of such Code is
4 amended—

5 (A) by striking “section 152” and insert-
6 ing “section 7706”, and

7 (B) by striking the period at the end and
8 inserting a comma.

9 (8) Section 63(b) of such Code is amended by
10 striking “minus—” and all that follows and insert-
11 ing “minus the standard deduction.”.

12 (9) Section 63(d) of such Code is amended by
13 striking “other than—” and all that follows and in-
14 serting “other than the deductions allowable in ar-
15 riving at adjusted gross income.”.

16 (10) Section 72(t)(2)(D)(i)(III) of such Code is
17 amended by striking “section 152” and inserting
18 “section 7706”.

19 (11) Section 72(t)(7)(A)(iii) of such Code is
20 amended by striking “section 152(f)(1)” and insert-
21 ing “section 7706(f)(1)”.

22 (12) Section 105(b) of such Code is amended—

23 (A) by striking “as defined in section 152”
24 and inserting “as defined in section 7706”,

1 (B) by striking “section 152(f)(1)” and in-
 2 serting “section 7706(f)(1)”, and

3 (C) by striking “section 152(e)” and in-
 4 serting “section 7706(e)”.

5 (13) Section 105(c)(1) of such Code is amended
 6 by striking “section 152” and inserting “section
 7 7706”.

8 (14) Section 125(e)(1)(D) of such Code is
 9 amended by striking “section 152” and inserting
 10 “section 7706”.

11 (15) Section 129(c) of such Code is amended—

12 (A) by striking “with respect to whom, for
 13 such taxable year, a deduction is allowable
 14 under section 151(c) (relating to personal ex-
 15 emptions for dependents) to” in paragraph (1)
 16 and inserting “who is a dependent of”, and

17 (B) by striking “section 152(f)(1)” in
 18 paragraph (2) and inserting “section
 19 7706(f)(1)”.

20 (16) Section 132(h)(2)(B) of such Code is
 21 amended—

22 (A) by striking “section 152(f)(1)” and in-
 23 serting “section 7706(f)(1)”, and

24 (B) by striking “section 152(e)” and in-
 25 serting “section 7706(e)”.

1 (17) Section 139D(c)(5) of such Code is
2 amended by striking “section 152” and inserting
3 “section 7706”.

4 (18) Section 162(l)(1)(D) of such Code is
5 amended by striking “section 152(f)(1)” and insert-
6 ing “section 7706(f)(1)”.

7 (19) Section 170(g)(1) of such Code is amend-
8 ed by striking “section 152” and inserting “section
9 7706”.

10 (20) Section 170(g)(3) of such Code is amend-
11 ed by striking “section 152(d)(2)” and inserting
12 “section 7706(d)(2)”.

13 (21) Section 172(d) of such Code is amended
14 by striking paragraph (3).

15 (22) Section 220(b)(6) of such Code is amend-
16 ed by striking “with respect to whom a deduction
17 under section 151 is allowable to” and inserting
18 “who is a dependent of”.

19 (23) Section 220(d)(2)(A) of such Code is
20 amended by striking “section 152” and inserting
21 “section 7706”.

22 (24) Section 223(b)(6) of such Code is amend-
23 ed by striking “with respect to whom a deduction
24 under section 151 is allowable to” and inserting
25 “who is a dependent of”.

1 (25) Section 223(d)(2)(A) of such Code is
2 amended by striking “section 152” and inserting
3 “section 7706”.

4 (26) Section 401(h) of such Code is amended
5 by striking “section 152(f)(1)” in the last sentence
6 and inserting “section 7706(f)(1)”.

7 (27) Section 402(l)(4)(D) of such Code is
8 amended by striking “section 152” and inserting
9 “section 7706”.

10 (28) Section 409A(a)(2)(B)(ii)(I) of such Code
11 is amended by striking “section 152(a)” and insert-
12 ing “section 7706(a)”.

13 (29) Section 501(c)(9) of such Code is amended
14 by striking “section 152(f)(1)” and inserting “sec-
15 tion 7706(f)(1)”.

16 (30) Section 529(e)(2)(B) of such Code is
17 amended by striking “section 152(d)(2)” and insert-
18 ing “section 7706(d)(2)”.

19 (31) Section 703(a)(2) of such Code is amended
20 by striking subparagraph (A) and by redesignating
21 subparagraphs (B) through (F) as subparagraphs
22 (A) through (E), respectively.

23 (32) Section 874 of such Code is amended by
24 striking subsection (b) and by redesignating sub-
25 section (c) as subsection (b).

1 (33) Section 891 of such Code is amended by
2 striking “under section 151 and”.

3 (34) Section 904(b) of such Code is amended
4 by striking paragraph (1).

5 (35) Section 931(b)(1) of such Code is amend-
6 ed by striking “(other than the deduction under sec-
7 tion 151, relating to personal exemptions)”.

8 (36) Section 933 of such Code is amended—

9 (A) by striking “(other than the deduction
10 under section 151, relating to personal exemp-
11 tions)” in paragraph (1), and

12 (B) by striking “(other than the deduction
13 for personal exemptions under section 151)” in
14 paragraph (2).

15 (37) Section 1212(b)(2)(B)(ii) of such Code is
16 amended to read as follows:

17 “(ii) in the case of an estate or trust,
18 the deduction allowed for such year under
19 section 642(b).”.

20 (38) Section 1361(c)(1)(C) of such Code is
21 amended by striking “section 152(f)(1)(C)” and in-
22 serting “section 7706(f)(1)(C)”.

23 (39) Section 1402(a) of such Code is amended
24 by striking paragraph (7).

1 (40) Section 2032A(c)(7)(D) of such Code is
2 amended by striking “section 152(f)(2)” and insert-
3 ing “section 7706(f)(2)”.

4 (41) Section 3402(m)(1) of such Code is
5 amended by striking “other than the deductions re-
6 ferred to in section 151 and”.

7 (42) Section 3402(r)(2) of such Code is amend-
8 ed by striking “the sum of—” and all that follows
9 and inserting “the standard deduction in effect
10 under section 63(c)(1)(B).”.

11 (43) Section 5000A(b)(3)(A) of such Code is
12 amended by striking “section 152” and inserting
13 “section 7706”.

14 (44) Section 5000A(c)(4)(A) of such Code is
15 amended by striking “the number of individuals for
16 whom the taxpayer is allowed a deduction under sec-
17 tion 151 (relating to allowance of deduction for per-
18 sonal exemptions) for the taxable year” and insert-
19 ing “the sum of 1 (2 in the case of a joint return)
20 plus the number of the taxpayer’s dependents for
21 the taxable year”.

22 (45) Section 6013(b)(3)(A) of such Code is
23 amended—

1 (A) by striking “had less than the exemp-
 2 tion amount of gross income” in clause (ii) and
 3 inserting “had no gross income”,

4 (B) by striking “had gross income of the
 5 exemption amount or more” in clause (iii) and
 6 inserting “had any gross income”, and

7 (C) by striking the flush language fol-
 8 lowing clause (iii).

9 (46) Section 6103(l)(21)(A)(iii) of such Code is
 10 amended to read as follows:

11 “(iii) the number of the taxpayer’s de-
 12 pendants,”.

13 (47) Section 6213(g)(2) of such Code is amend-
 14 ed by striking subparagraph (H).

15 (48) Section 6334(d)(2) of such Code is amend-
 16 ed to read as follows:

17 “(2) EXEMPT AMOUNT.—

18 “(A) IN GENERAL.—For purposes of para-
 19 graph (1), the term ‘exempt amount’ means an
 20 amount equal to—

21 “(i) the sum of the amount deter-
 22 mined under subparagraph (B) and the
 23 standard deduction, divided by

24 “(ii) 52.

“(B) AMOUNT DETERMINED.—For purposes of subparagraph (A), the amount determined under this subparagraph is \$4,150 multiplied by the number of the taxpayer’s dependents for the taxable year in which the levy occurs.

“(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2018, the \$4,150 amount in subparagraph (B) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A) thereof.

If any increase determined under the preceding sentence is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.

“(D) VERIFIED STATEMENT.—Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount

1 under subparagraph (A), subparagraph (A)
 2 shall be applied as if the taxpayer were a mar-
 3 ried individual filing a separate return with no
 4 dependents.”.

5 (49) Section 7702B(f)(2)(C)(iii) of such Code is
 6 amended by striking “section 152(d)(2)” and insert-
 7 ing “section 7706(d)(2)”.

8 (50) Section 7703(a) of such Code is amended
 9 by striking “part V of subchapter B of chapter 1
 10 and”.

11 (51) Section 7703(b)(1) of such Code is amend-
 12 ed by striking “section 152(f)(1)” and all that fol-
 13 lows and inserting “section 7706(f)(1),”.

14 (52) Section 7706(a) of such Code, as redesign-
 15 ated by this section, is amended by striking “this
 16 subtitle” and inserting “subtitle A”.

17 (53)(A) Section 7706(d)(1)(B) of such Code, as
 18 redesignated by this section, is amended by striking
 19 “the exemption amount (as defined in section
 20 151(d))” and inserting “\$4,150”.

21 (B) Section 7706(d) of such Code, as redesign-
 22 ated by this section, is amended by adding at the
 23 end the following new paragraph:

24 “(6) INFLATION ADJUSTMENT.—In the case of
 25 any calendar year beginning after 2018, the \$4,150

1 amount in paragraph (1)(B) shall be increased by an
 2 amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
 5 mined under section 1(f)(3) for such calendar
 6 year, determined by substituting ‘calendar year
 7 2017’ for ‘calendar year 2016’ in subparagraph
 8 (A)(ii) thereof.

9 If any increase determined under the preceding sen-
 10 tence is not a multiple of \$100, such increase shall
 11 be rounded to the next lowest multiple of \$100.”.

12 (54) The table of sections for chapter 79 of
 13 such Code is amended by adding at the end the fol-
 14 lowing new item:

“Sec. 7706. Dependent defined.”.

15 (g) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 December 31, 2020.

18 **SEC. 12. PERMANENT EXTENSION OF LIMITATION ON DE-**
 19 **DUCTION FOR STATE AND LOCAL, ETC.,**
 20 **TAXES.**

21 (a) IN GENERAL.—Paragraph (6) of section 164(b)
 22 of the Internal Revenue Code of 1986 is amended—

23 (1) by striking “, and before January 1, 2026”,
 24 and

1 (2) by striking “2018 THROUGH 2025” in the
 2 heading and inserting “AFTER 2017”.

3 (b) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2020.

6 **SEC. 13. PERMANENT EXTENSION OF LIMITATION ON DE-**
 7 **DUCTION FOR QUALIFIED RESIDENCE INTER-**
 8 **EST.**

9 (a) REPEAL OF HOME EQUITY INDEBTEDNESS.—

10 (1) IN GENERAL.—Section 163(h)(3)(A) of the
 11 Internal Revenue Code of 1986 is amended by strik-
 12 ing “during the taxable year on” and all that follows
 13 through “For purposes of” and inserting “during
 14 the taxable year on acquisition indebtedness with re-
 15 spect to any qualified principal residence of the tax-
 16 payer. For purposes of”.

17 (2) CONFORMING AMENDMENT.—Section
 18 163(h)(3) of such Code is amended by striking sub-
 19 paragraph (C).

20 (b) LIMITATION ON ACQUISITION INDEBTEDNESS.—

21 (1) IN GENERAL.—Section 163(h)(3)(B)(ii) of
 22 the Internal Revenue Code of 1986 is amended by
 23 striking “\$1,000,000 (\$500,000” and inserting
 24 “\$750,000 (\$375,000”.

1 (2) TREATMENT OF INDEBTEDNESS INCURRED
 2 ON OR BEFORE DECEMBER 31, 2017;
 3 REFINANCINGS.—Section 163(h)(3) of the Internal
 4 Revenue Code of 1986, as amended by subsection
 5 (a)(2), is amended by inserting after subparagraph
 6 (B) the following new subparagraph:

7 “(C) TREATMENT OF INDEBTEDNESS IN-
 8 CURRED ON OR BEFORE DECEMBER 15, 2017;
 9 REFINANCINGS.—

10 “(i) IN GENERAL.—In the case of any
 11 indebtedness incurred on or before Decem-
 12 ber 15, 2017, subparagraph (B)(ii) shall
 13 apply as in effect immediately before the
 14 enactment of the Public Law 115–97, and,
 15 in applying such subparagraph to any in-
 16 debtedness incurred after such date, the
 17 limitation under such subparagraph shall
 18 be reduced (but not below zero) by the
 19 amount of any indebtedness incurred on or
 20 before December 15, 2017, which is treat-
 21 ed as acquisition indebtedness for purposes
 22 of this subsection for the taxable year.

23 “(ii) BINDING CONTRACT EXCEP-
 24 TION.—In the case of a taxpayer who en-
 25 ters into a written binding contract before

December 15, 2017, to close on the purchase of a principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, subclause (III) shall be applied by substituting ‘April 1, 2018’ for ‘December 15, 2017’.

“(iii) TREATMENT OF REFINANCINGS OF INDEBTEDNESS.—

“(I) IN GENERAL.—In the case of any indebtedness which is incurred to refinance indebtedness, such refinanced indebtedness shall be treated for purposes of clause (i) as incurred on the date that the original indebtedness was incurred to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness.

“(II) LIMITATION ON PERIOD OF REFINANCING.—Subclause (I) shall not apply to any indebtedness after the expiration of the term of the original indebtedness or, if the principal of such original indebtedness is not am-

1 ortized over its term, the expiration of
 2 the term of the 1st refinancing of
 3 such indebtedness (or if earlier, the
 4 date which is 30 years after the date
 5 of such 1st refinancing).”.

6 (c) COORDINATION WITH EXCLUSION OF INCOME
 7 FROM DISCHARGE OF INDEBTEDNESS.—Section
 8 108(h)(2) of the Internal Revenue Code of 1986 is amend-
 9 ed by striking “, applied by substituting” and all that fol-
 10 lows through “section 163(h)(3)(F)(i)(II)”.

11 (d) CONFORMING AMENDMENTS.—Section 163(h)(3)
 12 of the Internal Revenue Code of 1986 is amended—

13 (1) in the heading of subparagraph (D)(ii), by
 14 striking “\$1,000,000”, and

15 (2) by striking subparagraph (F).

16 (e) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2020.

19 **SEC. 14. PERMANENT EXTENSION OF MODIFICATIONS TO**
 20 **DEDUCTION FOR PERSONAL CASUALTY**
 21 **LOSSES.**

22 (a) IN GENERAL.—Paragraph (5) of section 165(h)
 23 of the Internal Revenue Code of 1986 is amended—

24 (1) by striking “, and before January 1, 2026”
 25 in subparagraph (A), and

1 (2) by striking “2018 THROUGH 2025” in the
2 heading and inserting “AFTER 2017”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to losses incurred in taxable years
5 beginning after December 31, 2020.

6 **SEC. 15. REPEAL OF MISCELLANEOUS ITEMIZED DEDUC-**
7 **TIONS.**

8 (a) IN GENERAL.—Section 67 of the Internal Rev-
9 enue Code of 1986 is amended—

10 (1) by striking subsection (a) and inserting the
11 following:

12 “(a) GENERAL RULE.—No miscellaneous itemized
13 deduction shall be allowed for any taxable year beginning
14 after December 31, 2017.”,

15 (2) by striking subsection (g), and

16 (3) by striking “**2-PERCENT FLOOR ON**” in
17 the heading and inserting “**TREATMENT OF**”.

18 (b) CONFORMING AMENDMENT.—The table of sec-
19 tions for part I of subchapter B of chapter 1 of the Inter-
20 nal Revenue Code of 1986 is amended by striking “2-per-
21 cent floor on” in the item relating to section 67 and insert-
22 ing “Treatment of”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2020.

1 **SEC. 16. REPEAL OF OVERALL LIMITATION ON ITEMIZED**
 2 **DEDUCTIONS.**

3 (a) IN GENERAL.—Part 1 of subchapter B of chapter
 4 1 of the Internal Revenue Code of 1986 is amended by
 5 striking section 68 (and the item relating to such section
 6 in the table of sections for such part).

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1(f)(7) of the Internal Revenue
 9 Code of 1986 is amended by striking “section
 10 68(b)(2),”.

11 (2) Section 56(b)(1) of such Code is amended
 12 by striking subparagraph (F).

13 (3) Section 164(b)(5)(H)(ii)(III) of such Code
 14 is amended by inserting “(as in effect before the
 15 date of the enactment of the Tax Cuts and Jobs
 16 Act)” after “68(b)”.

17 (4) Section 642(b)(2)(C)(i)(I) of such Code is
 18 amended by striking “as an individual described in
 19 section 68(b)(1)(C)” and inserting “as an individual
 20 who is not married and who is not a surviving
 21 spouse or head of household”.

22 (5) Section 773(a)(3)(B) of such Code is
 23 amended by striking clause (i) and redesignating
 24 clauses (ii) through (iv) as clauses (i) through (iii),
 25 respectively.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2020.

4 **SEC. 17. REPEAL OF EXCLUSION FOR QUALIFIED BICYCLE**
 5 **COMMUTING REIMBURSEMENT.**

6 (a) IN GENERAL.—Section 132(f)(1) of the Internal
 7 Revenue Code of 1986 is amended by striking subpara-
 8 graph (D).

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 132(f)(2) of the Internal Revenue
 11 Code of 1986 is amended by inserting “and” at the
 12 end of subparagraph (A), by striking “, and” at the
 13 end of subparagraph (B) and inserting a period, and
 14 by striking subparagraph (C).

15 (2) Section 132(f)(4) of such Code is amended
 16 by striking “(other than a qualified bicycle com-
 17 muting reimbursement)”.

18 (3) Section 132(f)(5) of such Code is amended
 19 by striking subparagraph (F).

20 (4) Section 132(f) of such Code is amended by
 21 striking paragraph (8).

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2020.

1 **SEC. 18. PERMANENT EXTENSION OF MODIFICATION OF EX-**
 2 **CLUSION FOR QUALIFIED MOVING EXPENSE**
 3 **REIMBURSEMENT.**

4 (a) IN GENERAL.—Section 132(g) of the Internal
 5 Revenue Code of 1986 is amended—

6 (1) in paragraph (1), by striking “individual”
 7 and inserting “qualified military member”, and

8 (2) by striking paragraph (2) and inserting the
 9 following:

10 “(2) QUALIFIED MILITARY MEMBER.—For pur-
 11 poses of paragraph (1), the term ‘qualified military
 12 member’ means a member of the Armed Forces of
 13 the United States on active duty who moves pursu-
 14 ant to a military order and incident to a permanent
 15 change of station.”.

16 (b) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2020.

19 **SEC. 19. REPEAL OF DEDUCTION FOR MOVING EXPENSES.**

20 (a) IN GENERAL.—Subsection (a) of section 217 of
 21 the Internal Revenue Code of 1986 is amended to read
 22 as follows:

23 “(a) DEDUCTION ALLOWED.—There shall be allowed
 24 as a deduction moving expenses paid or incurred during
 25 the taxable year in connection with the commencement of
 26 work by a member of the Armed Forces of the United

1 States on active duty who moves pursuant to a military
 2 order and incident to a permanent change of station.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 217 of the Internal Revenue Code
 5 of 1986 is amended—

6 (A) by striking subsections (c), (d), (f),
 7 and (i),

8 (B) by redesignating subsections (g), (h),
 9 and (j) as subsections (c), (d), and (e), respec-
 10 tively, and

11 (C) in subsection (c), as so redesignated—

12 (i) by striking paragraph (1) and re-
 13 designating paragraphs (2) and (3) as
 14 paragraphs (1) and (2), respectively, and

15 (ii) in paragraph (2) (as so redesign-
 16 nated), by striking “moving expenses of his
 17 spouse and dependents” and all that fol-
 18 lows and inserting “moving expenses of his
 19 spouse and dependents as if his spouse
 20 commenced work as an employee at a new
 21 principal place of work at such location.”.

22 (2) Section 23 of such Code is amended by
 23 striking “217(h)(3)” each place it appears in sub-
 24 sections (d)(3) and (e) and inserting “217(d)(3)”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2020.

4 **SEC. 20. PERMANENT EXTENSION OF LIMITATION ON WA-**
 5 **GERING LOSSES.**

6 (a) IN GENERAL.—The second sentence of section
 7 165(d) of the Internal Revenue Code of 1986 is amended
 8 by striking “in the case of taxable years beginning after
 9 December 31, 2017, and before January 1, 2026,”.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 this section shall not apply to taxable years beginning
 12 after December 31, 2020.

13 **SEC. 21. INCREASE IN ESTATE AND GIFT TAX EXEMPTION**
 14 **MADE PERMANENT.**

15 (a) IN GENERAL.—Section 2010(c)(3)(A) of the In-
 16 ternal Revenue Code of 1986 is amended by striking
 17 “\$5,000,000” and inserting “\$10,000,000”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 2010(c)(3) of the Internal Revenue
 20 Code of 1986 is amended by striking subparagraph
 21 (C).

22 (2) Subsection (g) of section 2001 of such Code
 23 is amended to read as follows:

24 “(g) MODIFICATIONS TO GIFT TAX PAYABLE TO RE-
 25 FLECT DIFFERENT TAX RATES.—For purposes of apply-

ing subsection (b)(2) with respect to 1 or more gifts, the rates of tax under subsection (c) in effect at the decedent's death shall, in lieu of the rates of tax in effect at the time of such gifts, be used both to compute—

“(1) the tax imposed by chapter 12 with respect to such gifts, and

“(2) the credit allowed against such tax under section 2505, including in computing—

“(A) the applicable credit amount under section 2505(a)(1), and

“(B) the sum of the amounts allowed as a credit for all preceding periods under section 2505(a)(2).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2020.

SEC. 22. INCREASE IN ALTERNATIVE MINIMUM TAX EXEMPTION MADE PERMANENT.

(a) **IN GENERAL.**—Section 55(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1)—

(A) by striking “\$78,750” in subparagraph

(A) and inserting “\$109,400”, and

(B) by striking “\$50,600” in subparagraph (B) and inserting “\$70,300”, and

1 (2) in paragraph (2)—

2 (A) by striking “\$150,000” in subpara-
3 graph (A) and inserting “\$1,000,000”, and

4 (B) by striking subparagraphs (B) and (C)
5 and inserting the following:

6 “(B) 50 percent of the dollar amount ap-
7 plicable under subparagraph (A) in the case of
8 a taxpayer described in subparagraph (B) or
9 (C) of paragraph (1), and

10 “(C) 50 percent of \$150,000 in the case of
11 a taxpayer described in paragraph (1)(D).”.

12 (b) INFLATION ADJUSTMENT.—

13 (1) IN GENERAL.—Section 55(d)(3)(A)(ii) of
14 the Internal Revenue Code of 1986 is amended to
15 read as follows:

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, by substituting for ‘calendar year
20 2016’ in subparagraph (A)(ii) thereof—

21 “(I) ‘calendar year 2011’ in the
22 case of the dollar amounts described
23 in clauses (i), (iv), and (v) of subpara-
24 graph (B), and

1 “(II) ‘calendar year 2017’ in the
 2 case of the dollar amounts described
 3 in clauses (ii) and (iii) of subpara-
 4 graph (B).”.

5 (2) CONFORMING AMENDMENTS.—Section
 6 55(d)(3)(B) of such Code is amended—

7 (A) by striking “subparagraphs (A), (B),
 8 and (D) of paragraph (1), and” in clause (ii)
 9 and inserting “subparagraphs (A) and (B) of
 10 paragraph (1),”,

11 (B) by striking “subparagraphs (A) and
 12 (B) of paragraph (2).” in clause (iii) and in-
 13 serting “paragraph (2)(A),”, and

14 (C) by adding at the end the following:

15 “(iv) the dollar amount contained in
 16 paragraph (1)(D), and

17 “(v) the dollar amount contained in
 18 paragraph (2)(C).”.

19 (c) TREATMENT OF UNEARNED INCOME OF MINOR
 20 CHILDREN.—Section 59 of the Internal Revenue Code of
 21 1986 is amended by striking subsection (j).

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 December 31, 2020.

1 **SEC. 23. TECHNICAL AMENDMENT.**

2 Section 11000 of Public Law 115–97 is amended by
3 redesignating subsection (a) as subsection (b) and by in-
4 serting before subsection (b) (as so redesignated) the fol-
5 lowing new subsection:

6 “(a) **SHORT TITLE.**—This title may be cited as the
7 ‘Tax Cuts and Jobs Act’.”.

○