105TH CONGRESS
2D SESSION

S. 1989

To amend the Internal Revenue Code of 1986 to increase the standard deduction amount to reduce the marriage penalty, simplify the filing of individual tax returns, and provide tax relief for lower and middle income individuals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 27, 1998

Mr. FORD introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to increase the standard deduction amount to reduce the marriage penalty, simplify the filing of individual tax returns, and provide tax relief for lower and middle income individuals, 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 "Marriage Penalty Re-

5 duction Act".

1 **SEC. 2. INCREASE IN STANDARD DEDUCTION AMOUNT.**

2 (a) STANDARD DEDUCTION AMOUNT.—Section

3 63(c)(2) of the Internal Revenue Code of 1986 (relating

4 to the basic standard deduction) is amended—

5 (1) by striking "$5,000" and inserting

6 "$12,000" in subparagraph (A),

7 (2) by striking "$4,400" and inserting

8 "$9,000" in subparagraph (B),

9 (3) by striking "$3,000" and inserting

10 "$6,000" in subparagraph (C), and

11 (4) by striking "$2,500" and inserting

12 "$6,000" in subparagraph (D).

13 (b) INDEXING OF AMOUNT.—Subparagraph (B) of

14 section 63(c)(4) of the Internal Revenue Code of 1986 (re-

15 lating to adjustments for inflation) is amended—

16 (1) in clause (i)—

17 (A) by striking "(2) or", and

18 (B) by striking "and" at the end,

19 (2) in clause (ii), by striking the period at the

20 end and inserting ", and", and

21 (3) by adding at the end the following new

22 clause:

23 "(iii) 'calendar year 1998' in the case

24 of the dollar amounts contained in para-

25 graph (2).".

1   (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1998.

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