

106TH CONGRESS  
1ST SESSION

# H. R. 3

To amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 10 percent.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1999

Mr. KASICH (for himself, Mr. ARMEY, Mr. DELAY, Mr. COX, Mr. BACHUS, Mr. BAKER, Mr. BLUNT, Mr. BOEHNER, Mr. CHABOT, Mr. DOOLITTLE, Ms. DUNN, Mr. DICKEY, Mr. EHRLICH, Mr. EWING, Mr. FOLEY, Mrs. FOWLER, Ms. GRANGER, Mr. HASTINGS of Washington, Mr. HOSTETTLER, Mr. ISTOOK, Mr. KOLBE, Mr. MANZULLO, Mr. GARY MILLER of California, Mrs. MYRICK, Mr. NETHERCUTT, Mr. PACKARD, Mr. PAUL, Mr. PITTS, Mr. ROYCE, Mr. SALMON, Mr. SESSIONS, Mr. SUNUNU, Mr. TALENT, Mr. TANCREDO, and Mr. TAYLOR of North Carolina) 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 reduce individual income tax rates by 10 percent.

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 (a) SHORT TITLE.—This Act may be cited as the  
5 “10 Percent Tax Cut Act”.

(b) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986 .

**SEC. 2. 10 PERCENT REDUCTION IN INDIVIDUAL INCOME TAX RATES.**

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1986 (relating to tax imposed) is amended by striking subsections (a) through (e) and inserting the following:

“(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

“(1) every married individual (as defined in section 7703) who makes a single return jointly with his spouse under section 6013, and

“(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$43,050 .....	13.5% of taxable income.
Over \$43,050 but not over \$104,050.	\$5,811.75, plus 25.2% of the excess over \$43,050.
Over \$104,050 but not over \$158,550.	\$21,183.75, plus 27.9% of the excess over \$104,050.
Over \$158,550 but not over \$283,150.	\$36,389.25, plus 32.4% of the excess over \$158,550.
Over \$283,150 .....	\$76,759.65, plus 35.64% of the excess over \$283,150.

1       “(b) HEADS OF HOUSEHOLDS.—There is hereby im-  
 2 posed on the taxable income of every head of a household  
 3 (as defined in section 2(b)) a tax determined in accordance  
 4 with the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$34,550 .....	13.5% of taxable income.
Over \$34,550 but not over \$89,150.	\$4,664.25, plus 25.2% of the excess over \$34,550.
Over \$89,150 but not over \$144,400.	\$18,423.45, plus 27.9% of the excess over \$89,150.
Over \$144,400 but not over \$283,150.	\$33,838.20, plus 32.4% of the excess over \$144,400.
Over \$283,150 .....	\$78,793.20, plus 35.64% of the excess over \$283,150.

5       “(c) UNMARRIED INDIVIDUALS (OTHER THAN SUR-  
 6 VIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There  
 7 is hereby imposed on the taxable income of every individ-  
 8 ual (other than a surviving spouse as defined in section  
 9 2(a) or the head of a household as defined in section 2(b))  
 10 who is not a married individual (as defined in section  
 11 7703) a tax determined in accordance with the following  
 12 table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$25,750 .....	13.5% of taxable income.
Over \$25,750 but not over \$62,450.	\$3,476.25, plus 25.2% of the excess over \$25,750.
Over \$62,450 but not over \$130,250.	\$12,724.65, plus 27.9% of the excess over \$62,450.
Over \$130,250 but not over \$283,150.	\$31,640.85, plus 32.4% of the excess over \$130,250.
Over \$283,150 .....	\$81,180.45, plus 35.64% of the excess over \$283,150.

13       “(d) MARRIED INDIVIDUALS FILING SEPARATE RE-  
 14 TURNS.—There is hereby imposed on the taxable income  
 15 of every married individual (as defined in section 7703)

1 who does not make a single return jointly with his spouse  
 2 under section 6013, a tax determined in accordance with  
 3 the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$21,525 .....	13.5% of taxable income.
Over \$21,525 but not over \$52,025.	\$2,905.87, plus 25.2% of the excess over \$21,525.
Over \$52,025 but not over \$79,275.	\$10,591.87, plus 27.9% of the excess over \$52,025.
Over \$79,275 but not over \$141,575.	\$18,194.62, plus 32.4% of the excess over \$79,275.
Over \$141,575 .....	\$38,379.82, plus 35.64% of the excess over \$141,575

4 “(e) ESTATES AND TRUSTS.—There is hereby im-  
 5 posed on the taxable income of—

6 “(1) every estate, and

7 “(2) every trust,

8 taxable under this subsection a tax determined in accord-  
 9 ance with the following table:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$1,750 .....	13.5% of taxable income.
Over \$1,750 but not over \$4,050 ..	\$236.25, plus 25.2% of the excess over \$1,750.
Over \$4,050 but not over \$6,200 ..	\$815.85, plus 27.9% of the excess over \$4,050.
Over \$6,200 but not over \$8,450 ..	\$1,415.70, plus 32.4% of the excess over \$6,200.
Over \$8,450 .....	\$2,144.70, plus 35.64% of the excess over \$8,450.”

10 (b) INFLATION ADJUSTMENT CONFORMING AMEND-  
 11 MENTS.—

12 (1) Subsection (f) of section 1 of the Internal  
 13 Revenue Code of 1986 is amended—

14 (A) by striking “1993” in paragraph (1)  
 15 and inserting “1999”,

1 (B) by striking “1992” in paragraph  
2 (3)(B) and inserting “1998”, and  
3 (C) by striking paragraph (7).

4 (2) The following provisions of such Code are  
5 each amended by striking “1992” and inserting  
6 “1998” each place it appears:

- 7 (A) Section 25A(h).
- 8 (B) Section 32(j)(1)(B).
- 9 (C) Section 41(e)(5)(C).
- 10 (D) Section 59(j)(2)(B).
- 11 (E) Section 63(c)(4)(B).
- 12 (F) Section 68(b)(2)(B).
- 13 (G) Section 135(b)(2)(B)(ii).
- 14 (H) Section 151(d)(4).
- 15 (I) Section 220(g)(2).
- 16 (J) Section 221(g)(1)(B).
- 17 (K) Section 512(d)(2)(B).
- 18 (L) Section 513(h)(2)(C)(ii).
- 19 (M) Section 685(c)(3)(B).
- 20 (N) Section 877(a)(2).
- 21 (O) Section 911(b)(2)(D)(ii)(II).
- 22 (P) Section 2032A(a)(3)(B).
- 23 (Q) Section 2503(b)(2)(B).
- 24 (R) Section 2631(c)(1)(B).
- 25 (S) Section 4001(e)(1)(B).

1 (T) Section 4261(e)(4)(A)(ii).

2 (U) Section 6039F(d).

3 (V) Section 6323(i)(4)(B).

4 (W) Section 6601(j)(3)(B).

5 (X) Section 7430(c)(1).

6 (3) Subclause (II) of section 42(h)(6)(G)(i) of  
7 such Code is amended by striking “1987” and in-  
8 serting “1998”.

9 (c) ADDITIONAL CONFORMING AMENDMENTS.—

10 (1) Section 1(g)(7)(B)(ii)(II) of the Internal  
11 Revenue Code of 1986 is amended by striking “15  
12 percent” and inserting “13.5 percent”.

13 (2) Section 1(h) of such Code is amended—

14 (A) by striking “28 percent” both places it  
15 appears in paragraphs (1)(A)(ii)(I) and  
16 (1)(B)(i) and inserting “25.2 percent”, and

17 (B) by striking paragraph (13).

18 (3) Section 531 of such Code is amended by  
19 striking “39.6 percent” and inserting “35.64 per-  
20 cent”.

21 (4) Section 541 of such Code is amended by  
22 striking “39.6 percent” and inserting “35.64 per-  
23 cent”.

1           (5) Section 3402(p)(1)(B) of such Code is  
2           amended by striking “7, 15, 28, or 31 percent” and  
3           inserting “7, 13.5, 25.2 or 27.9 percent”.

4           (6) Section 3402(p)(2) of such Code is amend-  
5           ed by striking “15 percent” and inserting “13.5 per-  
6           cent”.

7           (7) Section 3402(q)(1) of such Code is amend-  
8           ed by striking “28 percent” and inserting “25.2 per-  
9           cent”.

10          (8) Section 3402(r)(3) of such Code is amended  
11          by striking “31 percent” and inserting “27.9 per-  
12          cent”.

13          (9) Section 3406(a)(1) of such Code is amended  
14          by striking “31 percent” and inserting “27.9 per-  
15          cent”.

16          (d) EFFECTIVE DATES.—

17           (1) IN GENERAL.—Except as provided in para-  
18           graph (2), the amendments made by this section  
19           shall apply to taxable years beginning after Decem-  
20           ber 31, 1999.

21           (2) AMENDMENTS TO WITHHOLDING PROVI-  
22           SIONS.—The amendments made by paragraphs (5),  
23           (6), (7), (8), and (9) of subsection (c) shall apply to  
24           amounts paid after December 31, 1999.

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