

In the Senate of the United States,

July 18, 2000.

Resolved, That the bill from the House of Representatives (H.R. 4810) entitled “An Act to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*

3 *“Marriage Tax Relief Reconciliation Act of 2000”.*

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

5 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
 6 **ARD DEDUCTION.**

7 (a) *IN GENERAL.*—Paragraph (2) of section 63(c) of
 8 the Internal Revenue Code of 1986 (relating to standard
 9 deduction) is amended—

10 (1) by striking “\$5,000” in subparagraph (A)
 11 and inserting “200 percent of the dollar amount in
 12 effect under subparagraph (C) for the taxable year”;

13 (2) by adding “or” at the end of subparagraph
 14 (B);

15 (3) by striking “in the case of” and all that fol-
 16 lows in subparagraph (C) and inserting “in any
 17 other case.”; and

18 (4) by striking subparagraph (D).

19 (b) *TECHNICAL AMENDMENTS.*—

20 (1) Subparagraph (B) of section 1(f)(6) of such
 21 Code is amended by striking “(other than with” and
 22 all that follows through “shall be applied” and insert-
 23 ing “(other than with respect to sections 63(c)(4) and
 24 151(d)(4)(A)) shall be applied”.

1 (2) Paragraph (4) of section 63(c) of such Code
 2 is amended by adding at the end the following flush
 3 sentence:

4 “The preceding sentence shall not apply to the
 5 amount referred to in paragraph (2)(A).”.

6 (c) *EFFECTIVE DATE.*—The amendments made by this
 7 section shall apply to taxable years beginning after Decem-
 8 ber 31, 2000.

9 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
 10 **AND 28-PERCENT RATE BRACKETS.**

11 (a) *IN GENERAL.*—Subsection (f) of section 1 of the
 12 Internal Revenue Code of 1986 (relating to adjustments in
 13 tax tables so that inflation will not result in tax increases)
 14 is amended by adding at the end the following new para-
 15 graph:

16 “(8) *PHASEOUT OF MARRIAGE PENALTY IN 15-*
 17 *PERCENT AND 28-PERCENT RATE BRACKETS.*—

18 “(A) *IN GENERAL.*—With respect to taxable
 19 years beginning after December 31, 2001, in pre-
 20 scribing the tables under paragraph (1)—

21 “(i) the maximum taxable income
 22 amount in the 15-percent rate bracket, the
 23 minimum and maximum taxable income
 24 amounts in the 28-percent rate bracket, and
 25 the minimum taxable income amount in the

31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

“(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be $\frac{1}{2}$ of the amounts determined under clause (i).

“(B) *APPLICABLE PERCENTAGE.*—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

“(C) *ROUNDING.*—If any amount determined under subparagraph (A)(i) is not a multiple of \$50, such amount shall be rounded to the next lowest multiple of \$50.”.

(b) *TECHNICAL AMENDMENTS.*—

1 (1) Subparagraph (A) of section 1(f)(2) of such
2 Code is amended by inserting “except as provided in
3 paragraph (8),” before “by increasing”.

4 (2) The heading for subsection (f) of section 1 of
5 such Code is amended by inserting “PHASEOUT OF
6 MARRIAGE PENALTY IN 15-PERCENT AND 28-PER-
7 CENT RATE BRACKETS;” before “ADJUSTMENTS”.

8 (c) *EFFECTIVE DATE.*—The amendments made by this
9 section shall apply to taxable years beginning after Decem-
10 ber 31, 2001.

11 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**
12 **CREDIT.**

13 (a) *IN GENERAL.*—Paragraph (2) of section 32(b) of
14 the Internal Revenue Code of 1986 (relating to percentages
15 and amounts) is amended—

16 (1) by striking “AMOUNTS.—The earned” and
17 inserting “AMOUNTS.—

18 “(A) *IN GENERAL.*—Subject to subpara-
19 graph (B), the earned”; and

20 (2) by adding at the end the following new sub-
21 paragraph:

22 “(B) *JOINT RETURNS.*—In the case of a
23 joint return, the phaseout amount determined
24 under subparagraph (A) shall be increased by
25 \$2,500.”.

1 **(b) INFLATION ADJUSTMENT.**—*Paragraph (1)(B) of*
 2 *section 32(j) of such Code (relating to inflation adjust-*
 3 *ments) is amended to read as follows:*

4 *“(B) the cost-of-living adjustment deter-*
 5 *mined under section 1(f)(3) for the calendar year*
 6 *in which the taxable year begins, determined—*

7 *“(i) in the case of amounts in sub-*
 8 *sections (b)(2)(A) and (i)(1), by sub-*
 9 *stituting ‘calendar year 1995’ for ‘calendar*
 10 *year 1992’ in subparagraph (B) thereof,*
 11 *and*

12 *“(ii) in the case of the \$2,500 amount*
 13 *in subsection (b)(2)(B), by substituting ‘cal-*
 14 *endar year 2000’ for ‘calendar year 1992’*
 15 *in subparagraph (B) of such section 1.”.*

16 **(c) ROUNDING.**—*Section 32(j)(2)(A) of such Code (re-*
 17 *lating to rounding) is amended by striking “subsection*
 18 *(b)(2)” and inserting “subsection (b)(2)(A) (after being in-*
 19 *creased under subparagraph (B) thereof)”.*

20 **(d) EFFECTIVE DATE.**—*The amendments made by this*
 21 *section shall apply to taxable years beginning after Decem-*
 22 *ber 31, 2000.*

1 **SEC. 5. PRESERVE FAMILY TAX CREDITS FROM THE ALTER-**
 2 **NATIVE MINIMUM TAX.**

3 (a) *IN GENERAL.*—Subsection (a) of section 26 of the
 4 Internal Revenue Code of 1986 (relating to limitation based
 5 on tax liability; definition of tax liability) is amended to
 6 read as follows:

7 “(a) *LIMITATION BASED ON AMOUNT OF TAX.*—The
 8 aggregate amount of credits allowed by this subpart for the
 9 taxable year shall not exceed the sum of—

10 “(1) the taxpayer’s regular tax liability for the
 11 taxable year reduced by the foreign tax credit allow-
 12 able under section 27(a), and

13 “(2) the tax imposed for the taxable year by sec-
 14 tion 55(a).”.

15 (b) *CONFORMING AMENDMENTS.*—

16 (1) Subsection (d) of section 24 of such Code is
 17 amended by striking paragraph (2) and by redesign-
 18 ating paragraph (3) as paragraph (2).

19 (2) Section 32 of such Code is amended by strik-
 20 ing subsection (h).

21 (3) Section 904 of such Code is amended by
 22 striking subsection (h) and by redesignating sub-
 23 sections (i), (j), and (k) as subsections (h), (i), and
 24 (j), respectively.

1 (c) *EFFECTIVE DATE.*—*The amendments made by this*
2 *section shall apply to taxable years beginning after Decem-*
3 *ber 31, 2001.*

4 **SEC. 6. COMPLIANCE WITH BUDGET ACT.**

5 (a) *IN GENERAL.*—*Except as provided in subsection*
6 *(b), all amendments made by this Act which are in effect*
7 *on September 30, 2005, shall cease to apply as of the close*
8 *of September 30, 2005.*

9 (b) *SUNSET FOR CERTAIN PROVISIONS ABSENT SUB-*
10 *SEQUENT LEGISLATION.*—*The amendments made by sec-*
11 *tions 2, 3, 4, and 5 of this Act shall not apply to any tax-*
12 *able year beginning after December 31, 2004.*

Attest:

Secretary.

106TH CONGRESS
2D SESSION

H. R. 4810

AMENDMENT