

Union Calendar No. 458

107TH CONGRESS
2^D SESSION

H. R. 1619

[Report No. 107-734]

To amend the Internal Revenue Code of 1986 to increase the limitation
on capital losses applicable to individuals.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2001

Ms. LOFGREN introduced the following bill; which was referred to the
Committee on Ways and Means

OCTOBER 10 (legislative day, OCTOBER 9), 2002

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To amend the Internal Revenue Code of 1986 to increase
the limitation on capital losses applicable to individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. INCREASE IN LIMITATION ON CAPITAL LOSSES**
 2 **APPLICABLE TO INDIVIDUALS.**

3 (a) **IN GENERAL.**—Paragraph (1) of section 1211(b)
 4 of the Internal Revenue Code of 1986 (relating to limita-
 5 tion on capital losses for taxpayers other than corpora-
 6 tions) is amended by striking “\$3,000 (\$1,500” and in-
 7 serting “\$8,250 (\$4,125”.

8 (b) **ADJUSTMENT FOR INFLATION.**—Section 1211 of
 9 such Code (relating to limitation on capital losses) is
 10 amended by adding at the end the following new sub-
 11 section:

12 “(c) **ADJUSTMENT FOR INFLATION.**—

13 “(1) **IN GENERAL.**—In the case of any taxable
 14 year beginning in a calendar year after 2001, the
 15 \$8,250 and \$4,125 amounts contained in subsection
 16 (b)(1) shall each be increased by an amount equal
 17 to—

18 “(i) such amount, multiplied by

19 “(ii) the cost-of-living adjustment de-
 20 termined under section 1(f)(3) for the cal-
 21 endar year in which the taxable year be-
 22 gins by substituting ‘calendar year 2000’
 23 for ‘calendar year 1992’ in subparagraph
 24 (B) thereof.

25 “(B) **ROUNDING.**—If any increase deter-
 26 mined under paragraph (1) is not a multiple of

1 \$5, such increase shall be rounded to the next
2 highest multiple of \$5.”.

3 (c) ~~EFFECTIVE DATE.~~—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2000.

6 **SECTION 1. INCREASE IN LIMITATION ON CAPITAL LOSSES**

7 **APPLICABLE TO INDIVIDUALS.**

8 (a) *IN GENERAL.*—Paragraph (1) of section 1211(b)
9 of the Internal Revenue Code of 1986 (relating to limitation
10 on capital losses for taxpayers other than corporations) is
11 amended by striking “\$3,000 (\$1,500” and inserting
12 “\$8,250 (1/2 such amount”.

13 (b) *ADJUSTMENT FOR INFLATION.*—Section 1211 of
14 such Code (relating to limitation on capital losses) is
15 amended by adding at the end the following new subsection:

16 “(c) *ADJUSTMENT FOR INFLATION.*—

17 “(1) *IN GENERAL.*—In the case of any taxable
18 year beginning in a calendar year after 2002, the
19 \$8,250 amount contained in subsection (b)(1) shall
20 each be increased by an amount equal to—

21 “(A) such amount, multiplied by

22 “(B) the cost-of-living adjustment deter-
23 mined under section 1(f)(3) for the calendar year
24 in which the taxable year begins by substituting

1 ‘calendar year 2001’ for ‘calendar year 1992’ in
2 subparagraph (B) thereof.

3 “(2) *ROUNDING.*—If any increase determined
4 under paragraph (1) is not a multiple of \$50, such
5 increase shall be rounded to the next highest multiple
6 of \$50.”.

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

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