

112TH CONGRESS  
2D SESSION

# H. R. 6104

To provide a temporary extension for the middle class of certain tax relief enacted in 2001, 2003, and 2009.

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IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2012

Mr. RICHMOND introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To provide a temporary extension for the middle class of certain tax relief enacted in 2001, 2003, and 2009.

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 “Working Families Tax  
5 Protection Act of 2012”.

6 **SEC. 2. EXTENSION OF 2001 TAX RELIEF FOR THE MIDDLE**  
7 **CLASS.**

8 (a) IN GENERAL.—In the case of the provisions of  
9 the Economic Growth and Tax Relief Reconciliation Act  
10 of 2001 which are specified in subsection (b) (and the

1 amendments made by such provisions), section 901 of  
2 such Act shall be applied by substituting “December 31,  
3 2013” for “December 31, 2012” the first place it appears.

4 (b) SPECIFIED EGTRRA PROVISIONS.—The fol-  
5 lowing provisions of the Economic Growth and Tax Relief  
6 Reconciliation Act of 2001 are specified in this subsection:

7 (1) Title I (relating to individual income tax  
8 rate reductions).

9 (2) Title II (relating to tax benefits related to  
10 children).

11 (3) Title III (relating to marriage penalty re-  
12 lief).

13 (4) Title IV (relating to affordable education  
14 provisions).

15 (c) CERTAIN PROVISIONS NOT APPLICABLE TO  
16 HIGH-INCOME INDIVIDUALS.—

17 (1) INDIVIDUAL INCOME TAX RATES.—Sub-  
18 section (i) of section 1 of the Internal Revenue Code  
19 of 1986 is amended by striking paragraph (2), by  
20 redesignating paragraph (3) as paragraph (4), and  
21 by inserting after paragraph (1) the following new  
22 paragraphs:

23 “(2) 25- AND 28-PERCENT RATE BRACKETS.—  
24 The tables under subsections (a), (b), (c), (d), and  
25 (e) shall be applied—

1           “(A) by substituting ‘25%’ for ‘28%’ each  
2 place it appears (before the application of sub-  
3 paragraph (B)),

4           “(B) by substituting ‘28%’ for ‘31%’ each  
5 place it appears, and

6           “(C) by substituting ‘33%’ for ‘36%’ each  
7 place it appears.

8           “(3) 35-PERCENT RATE BRACKET.—

9           “(A) IN GENERAL.—In the case of taxable  
10 years beginning after December 31, 2012—

11           “(i) the rate of tax under subsections  
12 (a), (b), (c), and (d) on a taxpayer’s tax-  
13 able income in the highest rate bracket  
14 shall be 35 percent to the extent such in-  
15 come does not exceed an amount equal to  
16 the excess of—

17           “(I) the applicable threshold,  
18 over

19           “(II) the dollar amount at which  
20 such bracket begins, and

21           “(ii) the 39.6 percent rate of tax  
22 under such subsections shall apply only to  
23 the taxpayer’s taxable income in such  
24 bracket in excess of the amount to which  
25 clause (i) applies.

1           “(B) APPLICABLE THRESHOLD.—For pur-  
2           poses of this paragraph, the term ‘applicable  
3           threshold’ means—

4                   “(i) \$500,000 in the case of sub-  
5                   section (a), and

6                   “(ii)  $\frac{1}{2}$  the amount applicable under  
7                   clause (i) in the case of subsections (b),  
8                   (c), and (d).

9           “(C) HIGHEST RATE BRACKET.—For pur-  
10           poses of this paragraph, the term ‘highest rate  
11           bracket’ means the bracket which would (deter-  
12           mined without regard to this paragraph) be the  
13           39.6-percent rate bracket.”.

14           (2) PHASEOUT OF PERSONAL EXEMPTIONS AND  
15           ITEMIZED DEDUCTIONS.—

16           (A) OVERALL LIMITATION ON ITEMIZED  
17           DEDUCTIONS.—Section 68 of such Code is  
18           amended—

19                   (i) by striking “the applicable  
20                   amount” the first place it appears in sub-  
21                   section (a) and inserting “the applicable  
22                   threshold in effect under section 1(i)(3)”,

23                   (ii) by striking “the applicable  
24                   amount” in subsection (a)(1) and inserting  
25                   “such applicable threshold”,

1 (iii) by striking subsection (b) and re-  
2 designating subsections (c), (d), and (e) as  
3 subsections (b), (c), and (d), respectively,  
4 and

5 (iv) by striking subsections (f) and  
6 (g).

7 (B) PHASEOUT OF DEDUCTIONS FOR PER-  
8 SONAL EXEMPTIONS.—

9 (i) IN GENERAL.—Paragraph (3) of  
10 section 151(d) of such Code is amended—

11 (I) by striking “the threshold  
12 amount” in subparagraphs (A) and  
13 (B) and inserting “the applicable  
14 threshold in effect under section  
15 1(i)(3)”,

16 (II) by striking subparagraph (C)  
17 and redesignating subparagraph (D)  
18 as subparagraph (C), and

19 (III) by striking subparagraphs  
20 (E) and (F).

21 (ii) CONFORMING AMENDMENT.—  
22 Paragraph (4) of section 151(d) of such  
23 Code is amended—

24 (I) by striking subparagraph (B),

1 (II) by redesignating clauses (i)  
2 and (ii) of subparagraph (A) as sub-  
3 paragraphs (A) and (B), respectively,  
4 and by indenting such subparagraphs  
5 (as so redesignated) accordingly, and

6 (III) by striking all that precedes  
7 “in a calendar year after 1989,” and  
8 inserting the following:

9 “(4) INFLATION ADJUSTMENT.—In the case of  
10 any taxable year beginning”.

11 (3) APPLICATION OF SUNSETS.—

12 (A) INDIVIDUAL INCOME TAX RATES.—  
13 Section 901 of the Economic Growth and Tax  
14 Relief Reconciliation Act of 2001 shall apply to  
15 the amendments made by paragraph (1) to the  
16 same extent and in the same manner as such  
17 section applies to the amendments made by sec-  
18 tion 101 of such Act.

19 (B) PHASEOUT OF PERSONAL EXEMPTIONS  
20 AND ITEMIZED DEDUCTIONS.—Section 901 of  
21 the Economic Growth and Tax Relief Reconcili-  
22 ation Act of 2001 shall apply to the amend-  
23 ments made by paragraph (2) to the same ex-  
24 tent and in the same manner as such section

1 applies to the amendments made by section 102  
2 of such Act.

3 (d) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2012.

6 **SEC. 3. EXTENSION OF 2003 TAX RELIEF FOR THE MIDDLE**  
7 **CLASS.**

8 (a) IN GENERAL.—Section 303 of the Jobs and  
9 Growth Tax Relief Reconciliation Act of 2003 is amended  
10 by striking “December 31, 2012” and inserting “Decem-  
11 ber 31, 2013”.

12 (b) CERTAIN PROVISIONS NOT APPLICABLE TO  
13 HIGH-INCOME INDIVIDUALS.—

14 (1) IN GENERAL.—Paragraph (1) of section  
15 (1)(h) of the Internal Revenue Code of 1986 is  
16 amended by striking subparagraph (C), by redesignig-  
17 nating subparagraphs (D) and (E) as subparagraphs  
18 (E) and (F) and by inserting after subparagraph  
19 (B) the following new subparagraphs:

20 “(C) 15 percent of the lesser of—

21 “(i) so much of the adjusted net cap-  
22 ital gain (or, if less, taxable income) as ex-  
23 ceeds the amount on which a tax is deter-  
24 mined under subparagraph (B), or

25 “(ii) the excess (if any) of—

1                   “(I) the amount of taxable in-  
2                   come which would (without regard to  
3                   this subsection) be taxed at a rate  
4                   below 39.6 percent, over

5                   “(II) the sum of the amounts on  
6                   which tax is determined under sub-  
7                   paragraphs (A) and (B),

8                   “(D) 20 percent of the adjusted net capital  
9                   gain (or, if less, taxable income) in excess of the  
10                  sum of the amounts on which tax is determined  
11                  under subparagraphs (B) and (C),”.

12                  (2) DIVIDENDS.—Subparagraph (A) of section  
13                  1(h)(11) of such Code is amended by striking  
14                  “qualified dividend income” and inserting “so much  
15                  of the qualified dividend income as does not exceed  
16                  the excess (if any) of—

17                         “(i) the amount of taxable income  
18                         which would (without regard to this sub-  
19                         section) be taxed at a rate below 39.6 per-  
20                         cent, over

21                         “(ii) taxable income reduced by quali-  
22                         fied dividend income.”.

23                  (3) MINIMUM TAX.—Section 55 of such Code is  
24                  amended by adding at the end the following new  
25                  subsection:



1       “(f) APPLICATION OF MAXIMUM RATE OF TAX ON  
2 NET CAPITAL GAIN OF NONCORPORATE TAXPAYERS.—In  
3 the case of taxable years beginning after December 31,  
4 2012, the amount determined under subparagraph (C) of  
5 subsection (b)(3) shall be the sum of—

6               “(1) 15 percent of the lesser of—

7                       “(A) so much of the adjusted net capital  
8 gain (or, if less, taxable excess) as exceeds the  
9 amount on which tax is determined under sub-  
10 subparagraph (B) of subsection (b)(3), or

11                       “(B) the excess described in section  
12 1(h)(1)(C)(ii), plus

13               “(2) 20 percent of the adjusted net capital gain  
14 (or, if less, taxable excess) in excess of the sum of  
15 the amounts on which tax is determined under sub-  
16 section (b)(3)(B) and paragraph (1).”.

17               (4) CONFORMING AMENDMENTS.—

18                       (A) The following provisions are amended  
19 by striking “15 percent” and inserting “20 per-  
20 cent”:

21                               (i) Section 1445(e)(1) of the Internal  
22 Revenue Code of 1986.

23                               (ii) The second sentence of section  
24 7518(g)(6)(A) of such Code.

1 (iii) Section 53511(f)(2) of title 46,  
2 United States Code.

3 (B) Sections 531 and 541 of the Internal  
4 Revenue Code of 1986 are each amended by  
5 striking “15 percent of” and inserting “the  
6 product of the highest rate of tax under section  
7 1(e) and”.

8 (C) Section 1445(e)(6) of such Code is  
9 amended by striking “15 percent (20 percent in  
10 the case of taxable years beginning after De-  
11 cember 31, 2010)” and inserting “20 percent”.

12 (5) APPLICATION OF SUNSET.—Section 303 of  
13 the Jobs and Growth Tax Relief Reconciliation Act  
14 of 2003 shall apply to the amendments made by this  
15 subsection to the same extent and in the same man-  
16 ner as such section applies to the amendments made  
17 by title III of such Act.

18 (c) EFFECTIVE DATES.—

19 (1) IN GENERAL.—Except as provided in para-  
20 graph (2), the amendments made by this section  
21 shall apply to taxable years beginning after Decem-  
22 ber 31, 2012.

23 (2) WITHHOLDING.—The amendments made by  
24 subparagraphs (A)(i) and (C) of subsection (b)(4)

1 shall apply to amounts paid on or after January 1,  
2 2013.

3 **SEC. 4. EXTENSION OF 2009 TAX RELIEF.**

4 (a) AMERICAN OPPORTUNITY TAX CREDIT.—

5 (1) IN GENERAL.—Section 25A(i) of the Inter-  
6 nal Revenue Code of 1986 is amended by striking  
7 “or 2012” and inserting “2012, or 2013”.

8 (2) TREATMENT OF POSSESSIONS.—Section  
9 1004(c)(1) of the American Recovery and Reinvest-  
10 ment Tax Act of 2009 is amended by striking “and  
11 2012” each place it appears and inserting “2012,  
12 and 2013”.

13 (b) CHILD TAX CREDIT.—Section 24(d)(4) of the In-  
14 ternal Revenue Code of 1986 is amended—

15 (1) by striking “AND 2012” in the heading and  
16 inserting “2012, AND 2013”, and

17 (2) by striking “or 2012” and inserting “2012,  
18 or 2013”.

19 (c) EARNED INCOME TAX CREDIT.—Section 32(b)(3)  
20 of the Internal Revenue Code of 1986 is amended—

21 (1) by striking “AND 2012” in the heading and  
22 inserting “2012, AND 2013”, and

23 (2) by striking “or 2012” and inserting “2012,  
24 or 2013”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2012.

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