

112TH CONGRESS
2^D SESSION

S. 3417

To amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2012

Mr. HATCH (for himself and Mr. McCONNELL) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

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 “Tax Hike Prevention
5 Act of 2012”.

1 **SEC. 2. TEMPORARY EXTENSION OF 2001 TAX RELIEF.**

2 (a) IN GENERAL.—Section 901 of the Economic
3 Growth and Tax Relief Reconciliation Act of 2001 is
4 amended by striking “December 31, 2012” both places it
5 appears and inserting “December 31, 2013”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall take effect as if included in the enact-
8 ment of the Economic Growth and Tax Relief Reconcili-
9 ation Act of 2001.

10 **SEC. 3. TEMPORARY EXTENSION OF 2003 TAX RELIEF.**

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

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall take effect as if included in the enact-
17 ment of the Jobs and Growth Tax Relief Reconciliation
18 Act of 2003.

19 **SEC. 4. ALTERNATIVE MINIMUM TAX RELIEF.**

20 (a) TEMPORARY EXTENSION OF INCREASED ALTER-
21 NATIVE MINIMUM TAX EXEMPTION AMOUNT.—

22 (1) IN GENERAL.—Paragraph (1) of section
23 55(d) of the Internal Revenue Code of 1986 is
24 amended—

25 (A) by striking “\$72,450” and all that fol-
26 lows through “2011” in subparagraph (A) and

1 inserting “\$78,750 in the case of taxable years
2 beginning in 2012”, and

3 (B) by striking “\$47,450” and all that fol-
4 lows through “2011” in subparagraph (B) and
5 inserting “\$50,600 in the case of taxable years
6 beginning in 2012”.

7 (b) TEMPORARY EXTENSION OF ALTERNATIVE MIN-
8 IMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL
9 CREDITS.—

10 (1) IN GENERAL.—Paragraph (2) of section
11 26(a) of the Internal Revenue Code of 1986 is
12 amended—

13 (A) by striking “or 2011” and inserting
14 “2011, or 2012”, and

15 (B) by striking “2011” in the heading
16 thereof and inserting “2012”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2011.

20 **SEC. 5. EXTENSION OF INCREASED EXPENSING LIMITA-**
21 **TIONS AND TREATMENT OF CERTAIN REAL**
22 **PROPERTY AS SECTION 179 PROPERTY.**

23 (a) IN GENERAL.—

24 (1) DOLLAR LIMITATION.—Section 179(b)(1) of
25 the Internal Revenue Code of 1986 is amended—

1 (A) by striking “2010 or 2011,” in sub-
2 paragraph (B) and inserting “2010, 2011,
3 2012, or 2013, and”,

4 (B) by striking subparagraph (C),

5 (C) by redesignating subparagraph (D) as
6 subparagraph (C), and

7 (D) in subparagraph (C), as so redesign-
8 dated, by striking “2012” and inserting
9 “2013”.

10 (2) REDUCTION IN LIMITATION.—Section
11 179(b)(2) of such Code is amended—

12 (A) by striking “2010 or 2011,” in sub-
13 paragraph (B) and inserting “2010, 2011,
14 2012, or 2013, and”,

15 (B) by striking subparagraph (C),

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

18 (D) in subparagraph (C), as so redesign-
19 dated, by striking “2012” and inserting
20 “2013”.

21 (3) CONFORMING AMENDMENT.—Subsection (b)
22 of section 179 of such Code is amended by striking
23 paragraph (6).

1 (b) COMPUTER SOFTWARE.—Section
2 179(d)(1)(A)(ii) of the Internal Revenue Code of 1986 is
3 amended by striking “2013” and inserting “2014”.

4 (c) ELECTION.—Section 179(c)(2) of the Internal
5 Revenue Code of 1986 is amended by striking “2013” and
6 inserting “2014”.

7 (d) SPECIAL RULES FOR TREATMENT OF QUALIFIED
8 REAL PROPERTY.—

9 (1) IN GENERAL.—Section 179(f)(1) of the In-
10 ternal Revenue Code of 1986 is amended by striking
11 “2010 or 2011” and inserting “2010, 2011, 2012,
12 or 2013”.

13 (2) CARRYOVER LIMITATION.—

14 (A) IN GENERAL.—Section 179(f)(4) of
15 such Code is amended by striking “2011” each
16 place it appears and inserting “2013”.

17 (B) CONFORMING AMENDMENT.—The
18 heading for subparagraph (C) of section
19 179(f)(4) of such Code is amended by striking
20 “2010” and inserting “2010, 2011 AND 2012”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2011.

1 **SEC. 6. INSTRUCTIONS FOR TAX REFORM.**

2 (a) IN GENERAL.—The Senate Committee on Fi-
3 nance shall report legislation not later than 12 months
4 after the date of the enactment of this Act that consists
5 of changes in laws within its jurisdiction which meet the
6 requirements of subsection (b).

7 (b) REQUIREMENTS.—Legislation meets the require-
8 ments of this subsection if the legislation—

9 (1) simplifies the Internal Revenue Code of
10 1986 by reducing the number of tax preferences and
11 reducing individual tax rates proportionally, with the
12 highest individual tax rate significantly below 35
13 percent;

14 (2) permanently repeals the alternative min-
15 imum tax;

16 (3) is projected, when compared to the current
17 tax policy baseline, to be revenue neutral or result
18 in revenue losses;

19 (4) has a dynamic effect which is projected to
20 stimulate economic growth and lead to increased rev-
21 enue;

22 (5) applies any increased revenue from stimu-
23 lated economic growth to additional rate reductions
24 and does not permit any such increased revenue to
25 be used for additional Federal spending;

26 (6) retains a progressive tax code; and

1 (7) provides for revenue-neutral reform of the
2 taxation of corporations and businesses by—

3 (A) providing a top tax rate on corpora-
4 tions of no more than 25 percent; and

5 (B) implementing a competitive territorial
6 tax system.

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