

118TH CONGRESS
1ST SESSION

H. R. 3936

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

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

A BILL

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

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 Cuts for Working
5 Families Act”.

1 **SEC. 2. STANDARD DEDUCTION RENAMED GUARANTEED**
2 **DEDUCTION.**

3 (a) IN GENERAL.—Section 63 of the Internal Rev-
4 enue Code of 1986 is amended—

5 (1) by striking “standard deduction” each place
6 it appears and inserting “guaranteed deduction”,
7 and

8 (2) in subsection (c)—

9 (A) in the heading, by striking “STAND-
10 ARD DEDUCTION” and inserting “GUARANTEED
11 DEDUCTION”,

12 (B) in the heading of paragraph (2), by
13 striking “STANDARD DEDUCTION” and inserting
14 “GUARANTEED DEDUCTION”,

15 (C) in the heading of paragraph (3), by
16 striking “STANDARD DEDUCTION” and inserting
17 “GUARANTEED DEDUCTION”,

18 (D) in the heading of paragraph (5), by
19 striking “STANDARD DEDUCTION” and inserting
20 “GUARANTEED DEDUCTION”,

21 (E) in the heading of paragraph (6), by
22 striking “STANDARD DEDUCTION” and inserting
23 “GUARANTEED DEDUCTION”, and

24 (F) in the heading of paragraph (7)(A), by
25 striking “STANDARD DEDUCTION” and inserting
26 “GUARANTEED DEDUCTION”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 1(g)(4)(A) of such Code is amended
3 by striking “standard deduction” and inserting
4 “guaranteed deduction”.

5 (2) Section 56(b)(1)(D) of such Code is amend-
6 ed—

7 (A) in the heading, by striking “STAND-
8 ARD DEDUCTION” and inserting “GUARANTEED
9 DEDUCTION”, and

10 (B) by striking “standard deduction” and
11 inserting “guaranteed deduction”.

12 (3) Section 861(b) of such Code is amended by
13 striking “standard deduction” and inserting “guar-
14 anteed deduction”.

15 (4) Section 862(b) of such Code is amended by
16 striking “standard deduction” and inserting “guar-
17 anteed deduction”.

18 (5) Section 1398(c) of such Code is amended—

19 (A) in the heading, by striking “STAND-
20 ARD DEDUCTION” and inserting “GUARANTEED
21 DEDUCTION”,

22 (B) in the heading of paragraph (3), by
23 striking “STANDARD DEDUCTION” and inserting
24 “GUARANTEED DEDUCTION”, and

1 (C) by striking “standard deduction” and
2 inserting “guaranteed deduction”.

3 (6) Section 3402 of such Code is amended by
4 striking “standard deduction” each place it appears
5 and inserting “guaranteed deduction”.

6 (7) Section 6012 of such Code is amended by
7 striking “standard deduction” each place it appears
8 and inserting “guaranteed deduction”.

9 (8) Section 6013(b)(3)(A) of such Code is
10 amended by striking “standard deduction” and in-
11 serting “guaranteed deduction”.

12 (9) Section 6014(b)(4) of such Code is amend-
13 ed by striking “standard deduction” and inserting
14 “guaranteed deduction”.

15 (10) Section 6334 of such Code is amended by
16 striking “standard deduction” each place it appears
17 and inserting “guaranteed deduction”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2023.

21 **SEC. 3. BONUS GUARANTEED DEDUCTION FOR 2024 AND**
22 **2025.**

23 (a) IN GENERAL.—Section 63(c) of the Internal Rev-
24 enue Code of 1986 (as amended by section 2) is amended
25 by adding at the end the following new paragraph:

1 “(8) BONUS GUARANTEED DEDUCTION FOR
2 TAXABLE YEARS 2024 AND 2025.—

3 “(A) IN GENERAL.—In the case of a tax-
4 able year beginning after December 31, 2023,
5 and before January 1, 2026, the guaranteed de-
6 duction shall be increased by the amount of the
7 bonus guaranteed deduction.

8 “(B) BONUS GUARANTEED DEDUCTION.—
9 For purposes of this paragraph, the bonus
10 guaranteed deduction is—

11 “(i) \$4,000 in the case of a joint re-
12 turn or a surviving spouse (as defined in
13 section 2(a)),

14 “(ii) \$3,000 in the case of a head of
15 household, and

16 “(iii) \$2,000 in any other case.

17 “(C) ADJUSTMENT FOR INFLATION.—In
18 the case of a taxable year beginning after 2024,
19 each dollar amount in subparagraph (B) shall
20 be increased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-

gins, determined by substituting ‘2023’ for
‘2016’ in subparagraph (A)(ii) thereof.

If any increase under this subparagraph is not
a multiple of \$50, such increase shall be rounded
to the next lowest multiple of \$50.

“(D) LIMITATION ON BONUS GUARANTEED
DEDUCTION BASED ON MODIFIED ADJUSTED
GROSS INCOME.—

“(i) IN GENERAL.—The bonus guaranteed
deduction determined under subparagraph (B) shall be reduced (but not
below zero) by 5 percent of so much of the
taxpayer’s modified adjusted gross income
as exceeds the threshold amount. For purposes
of the preceding sentence, the term
‘modified adjusted gross income’ means
adjusted gross income increased by any
amount excluded from gross income under
section 911, 931, or 933.

“(ii) THRESHOLD AMOUNT.—For purposes
of clause (i), the threshold amount
is—

“(I) \$400,000 in the case of a
joint return or a surviving spouse (as
defined in section 2(a)),

1 “(II) \$300,000 in the case of a
2 head of household, and
3 “(III) \$200,000 in any other
4 case.”.

5 (b) EFFECTIVE DATE.—The amendments made by
6 this subsection shall apply to taxable years beginning after
7 December 31, 2023.

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