

105TH CONGRESS  
1ST SESSION

# H. R. 2718

To amend the Internal Revenue Code of 1986 to reduce the rates of income tax paid by individual taxpayers, to eliminate the marriage penalty in the standard deduction, and to change the filing date for individual tax returns to November 1.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 1997

Mr. KNOLLENBERG (for himself, Mr. BARRETT of Nebraska, Mrs. CHENOWETH, Mr. GRAHAM, Mr. MCCOLLUM, Mr. MCINTOSH, Mr. BOB SCHAFFER of Colorado, and Mr. WATTS of Oklahoma) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce the rates of income tax paid by individual taxpayers, to eliminate the marriage penalty in the standard deduction, and to change the filing date for individual tax returns to November 1.

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 “Taxpayer Relief and  
5 Protection Act of 1997”.

1 **SEC. 2. REDUCTION IN RATES OF INCOME TAX FOR NON-**  
2 **CORPORATE TAXPAYERS.**

3 (a) IN GENERAL.—Each of the tables contained in  
4 section 1 of the Internal Revenue Code of 1986 (relating  
5 to tax imposed) is amended—

6 (1) by striking “15%” and inserting “14.25%”,

7 (2) by striking “28%” and inserting “26.6%”,

8 (3) by striking “31%” and inserting “29.45%”,

9 (4) by striking “36%” and inserting “34.2%”,

10 and

11 (5) by striking “39.6%” and inserting  
12 “37.62%”.

13 (b) MAXIMUM CAPITAL GAINS RATES.—Subsection  
14 (h) of such Code (relating to maximum capital gains rate)  
15 is amended—

16 (1) in paragraph (1)—

17 (A) by striking “28 percent” in subclause  
18 (I) of subparagraph (A)(ii) and inserting “26.6  
19 percent”,

20 (B) by striking “25 percent” in subpara-  
21 graph (B) and inserting “23.75 percent”,

22 (C) by striking “28 percent” in subpara-  
23 graph (C) and inserting “26.6 percent”,

24 (D) in subparagraph (D)—

1 (i) by striking “10 percent” in the  
2 matter preceding clause (i) and inserting  
3 “9.5 percent”, and

4 (ii) by striking “28 percent” and in-  
5 sserting “26.6”, and

6 (E) by striking “20 percent” in subpara-  
7 graph (E) and inserting “19 percent”, and

8 (2) in paragraph (2)—

9 (A) in subparagraph (A)—

10 (i) by striking “8 percent” and insert-  
11 ing “7.6 percent”,

12 (ii) by striking “10-percent” and in-  
13 sserting “9.5-percent”, and

14 (iii) by striking “10 percent” and in-  
15 sserting “9.5 percent”,

16 (B) in subparagraph (B)—

17 (i) in the matter preceding clause  
18 (i)—

19 (I) by striking “18 percent” and  
20 inserting “17.1 percent”, and

21 (II) by striking “20-percent” and  
22 inserting “19-percent”, and

23 (ii) by striking “20 percent” in clause  
24 (ii) and inserting “19 percent”.

1 (c) ALTERNATIVE MINIMUM TAX.—Clause (i) of sec-  
2 tion 55(b)(1)(A) of such Code (relating to amount of ten-  
3 tative minimum tax for noncorporate taxpayers) is amend-  
4 ed—

5 (1) in subclause (I), by striking “26 percent”  
6 and inserting “24.7 percent”, and

7 (2) in subclause (II), by striking “28 percent”  
8 and inserting “26.6 percent”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 December 31, 1997.

12 **SEC. 3. JOINT RETURN STANDARD DEDUCTION TWICE**  
13 **THAT OF SINGLE RETURN.**

14 (a) IN GENERAL.—Paragraph (2) of section 63(c) of  
15 the Internal Revenue Code of 1986 (relating to the stand-  
16 ard deduction) is amended—

17 (1) in subparagraph (A), by striking “\$5,000”  
18 and inserting “twice the amount in effect under sub-  
19 paragraph (C)”, and

20 (2) in subparagraph (D), by striking “\$2,500”  
21 and inserting “the amount in effect under subpara-  
22 graph (C)”.

23 (b) EFFECTIVE DATE.—The amendments made by  
24 subsection (a) shall apply to taxable years beginning after  
25 December 31, 1997.

1 **SEC. 4. CHANGE IN FILING DATE FOR INDIVIDUAL INCOME**  
2 **TAX RETURNS TO NOVEMBER 1.**

3 (a) IN GENERAL.—Section 6072(a) of the Internal  
4 Revenue Code of 1986 (relating to time for filing income  
5 tax returns) is amended—

6 (1) by striking “15th day of April” and insert-  
7 ing “1st day of November”, and

8 (2) by striking “15th day of the fourth month”  
9 and inserting “1st day of the 11th month”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 3510(a)(2) of such Code (relating  
12 to coordination of collection of domestic service em-  
13 ployment taxes with collection of income taxes) is  
14 amended by striking “15th day of the fourth month”  
15 and inserting “1st day of the 11th month”.

16 (2) Section 6075(b) of such Revenue Code (re-  
17 lating to gift tax returns) is amended—

18 (A) in paragraph (3), by striking “para-  
19 graphs (1) and (2)” and inserting “paragraph  
20 (1)”,

21 (B) by striking paragraph (2), and

22 (C) by redesignating paragraph (3) as  
23 paragraph (2).

24 (3) Section 6501(b)(2) of such Code (relating  
25 to return of certain employment taxes and tax im-  
26 posed by chapter 3) is amended by striking “April

1 15” both places it appears and inserting “November  
2 1”.

3 (4) Section 6513 of such Code (relating to time  
4 return deemed filed and tax considered paid) is  
5 amended—

6 (A) in subsection (b)(1), by striking “15th  
7 day of the fourth month” and inserting “1st  
8 day of the 11th month”, and

9 (B) in subsection (c), by striking “April  
10 15” each place it appears and inserting “No-  
11 vember 1”.

12 (5) Section 6621(b)(2) of such Code (relating  
13 to special rule for individual estimated tax) is  
14 amended to read as follows:

15 “(2) PERIOD DURING WHICH RATE APPLIES.—  
16 The Federal short-term rate determined under para-  
17 graph (1) for any month shall apply during the first  
18 calendar quarter beginning after such month.”

19 (6) Section 6654(b)(2)(A) of such Code (relat-  
20 ing to period of underpayment) is amended by strik-  
21 ing “15th day of the 4th month” and inserting “1st  
22 day of the 11th month”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 1997.

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