

105TH CONGRESS
1ST SESSION

S. 1314

To amend the Internal Revenue Code of 1986 to provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals.

IN THE SENATE OF THE UNITED STATES

OCTOBER 24, 1997

Mrs. HUTCHISON (for herself and Mr. FAIRCLOTH) 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 provide that married couples may file a combined return under which each spouse is taxed using the rates applicable to unmarried individuals.

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 “Marriage Tax Elim-

5 nation Act”.

1 **SEC. 2. COMBINED RETURN TO WHICH UNMARRIED RATES**
2 **APPLY.**

3 (a) IN GENERAL.—Subpart B of part II of sub-
4 chapter A of chapter 61 of the Internal Revenue Code of
5 1986 (relating to income tax returns) is amended by in-
6 serting after section 6013 the following new section:

7 **“SEC. 6013A. COMBINED RETURN WITH SEPARATE RATES.**

8 “(a) GENERAL RULE.—A husband and wife may
9 make a combined return of income taxes under subtitle
10 A under which—

11 “(1) a separate taxable income is determined
12 for each spouse by applying the rules provided in
13 this section, and

14 “(2) the tax imposed by section 1 is the aggre-
15 gate amount resulting from applying the separate
16 rates set forth in section 1(c) to each such taxable
17 income.

18 “(b) TREATMENT OF INCOME.—For purposes of this
19 section—

20 “(1) earned income (within the meaning of sec-
21 tion 911(d)), and any income received as a pension
22 or annuity which arises from an employer-employee
23 relationship, shall be treated as the income of the
24 spouse who rendered the services, and

1 “(2) income from property shall be divided be-
2 tween the spouses in accordance with their respec-
3 tive ownership rights in such property.

4 “(c) TREATMENT OF DEDUCTIONS.—For purposes of
5 this section—

6 “(1) except as otherwise provided in this sub-
7 section, the deductions allowed by section 62(a) shall
8 be allowed to the spouse treated as having the in-
9 come to which such deductions relate,

10 “(2) the deduction for retirement savings de-
11 scribed in paragraph (7) of section 62(a) shall be al-
12 lowed to the spouse for whose benefit the savings are
13 maintained,

14 “(3) the deduction for alimony described in
15 paragraph (10) of section 62(a) shall be allowed to
16 the spouse who has the liability to pay the alimony,

17 “(4) the deduction referred to in paragraph
18 (16) of section 62(a) (relating to contributions to
19 medical savings accounts) shall be allowed to the
20 spouse with respect to whose employment or self-em-
21 ployment such account relates,

22 “(5) the deductions allowable by section 151
23 (relating to personal exemptions) shall be deter-
24 mined by requiring each spouse to claim 1 personal
25 exemption,

1 “(6) section 63 shall be applied as if such
2 spouses were not married, and

3 “(7) each spouse’s share of all other deductions
4 (including the deduction for personal exemptions
5 under section 151(c)) shall be determined by mul-
6 tiplying the aggregate amount thereof by the frac-
7 tion—

8 “(A) the numerator of which is such
9 spouse’s adjusted gross income, and

10 “(B) the denominator of which is the com-
11 bined adjusted gross incomes of the 2 spouses.

12 Any fraction determined under paragraph (7) shall be
13 rounded to the nearest percentage point.

14 “(d) TREATMENT OF CREDITS.—Credits shall be de-
15 termined (and applied against the joint liability of the cou-
16 ple for tax) as if the spouses had filed a joint return.

17 “(e) TREATMENT AS JOINT RETURN.—Except as
18 otherwise provided in this section or in the regulations
19 prescribed hereunder, for purposes of this title (other than
20 sections 1 and 63(c)) a combined return under this section
21 shall be treated as a joint return.

22 “(f) REGULATIONS.—The Secretary shall prescribe
23 such regulations as may be necessary or appropriate to
24 carry out this section.”.

1 (b) UNMARRIED RATE MADE APPLICABLE.—So
 2 much of subsection (c) of section 1 of such Code as pre-
 3 cedes the table is amended to read as follows:

4 “(c) SEPARATE OR UNMARRIED RETURN RATE.—
 5 There is hereby imposed on the taxable income of every
 6 individual (other than a married individual (as defined in
 7 section 7703) filing a joint return or a separate return,
 8 a surviving spouse as defined in section 2(a), or a head
 9 of household as defined in section 2(b)) a tax determined
 10 in accordance with the following table:”.

11 (c) BASIC STANDARD DEDUCTION FOR UNMARRIED
 12 INDIVIDUALS MADE APPLICABLE.—Subparagraph (C) of
 13 section 63(c)(2) of such Code is amended to read as fol-
 14 lows:

15 “(C) \$3,000 in the case of an individual
 16 who is not—

17 “(i) a married individual filing a joint
 18 return or a separate return,

19 “(ii) a surviving spouse, or

20 “(iii) a head of household, or”.

21 (d) CLERICAL AMENDMENT.—The table of sections
 22 for subpart B of part II of subchapter A of chapter 61
 23 of such Code is amended by inserting after the item relat-
 24 ing to section 6013 the following:

“Sec. 6013A. Combined return with separate rates.”

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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