

106TH CONGRESS  
1ST SESSION

# H. R. 1097

To amend the Internal Revenue Code of 1986 to simplify the \$500 per child tax credit and other individual nonrefundable credits by repealing the complex limitations on the allowance of those credits resulting from their interaction with the alternative minimum tax.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. NEAL of Massachusetts 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 simplify the \$500 per child tax credit and other individual nonrefundable credits by repealing the complex limitations on the allowance of those credits resulting from their interaction with the alternative minimum tax.

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. SIMPLIFICATION OF \$500 PER CHILD FAMILY**

4 **CREDIT.**

5 (a) ALLOWANCE OF PERSONAL NONREFUNDABLE  
6 CREDITS AGAINST MINIMUM TAX.—Subsection (a) of sec-  
7 tion 26 of the Internal Revenue Code of 1986 (relating

1 to limitation based on amount of tax) is amended to read  
2 as follows:

3 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The  
4 aggregate amount of credits allowed by this subpart for  
5 the taxable year shall not exceed the sum of—

6 “(1) the taxpayer’s regular tax liability for the  
7 taxable year, and

8 “(2) the tax imposed for the taxable year by  
9 section 55(a).”.

10 (b) SIMPLIFICATION OF PARTIALLY REFUNDABLE  
11 CREDIT.—

12 (1) Subsection (d) of section 24 of such Code  
13 is amended by striking paragraph (2) and redesignating  
14 paragraph (3) as paragraph (2).

15 (2) Section 32 of such Code is amended by  
16 striking subsection (n).

17 (c) REDUCTION IN INCOME THRESHOLD AMOUNT  
18 FOR PHASEOUT OF CHILD TAX CREDIT.—Paragraph (2)  
19 of section 24(b) of such Code (relating to threshold  
20 amount) is amended—

21 (1) in subparagraph (A) by striking  
22 “\$110,000” and inserting “\$91,000”,

23 (2) in subparagraph (B) by striking “\$75,000”  
24 and inserting “\$60,000”, and

1           (3) in subparagraph (C) by striking “\$55,000”  
2           and inserting “\$45,500”.

3           (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 1998.

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