

106TH CONGRESS
2^D SESSION

H. R. 4810

AN ACT

To provide for reconciliation pursuant to section 103(a)(1)
of the concurrent resolution on the budget for fiscal
year 2001.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; ETC.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Marriage Tax Penalty Relief Reconciliation Act of
4 2000”.

5 (b) **SECTION 15 NOT TO APPLY.**—No amendment
6 made by this Act shall be treated as a change in a rate
7 of tax for purposes of section 15 of the Internal Revenue
8 Code of 1986.

9 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
10 **ARD DEDUCTION.**

11 (a) **IN GENERAL.**—Paragraph (2) of section 63(c) of
12 the Internal Revenue Code of 1986 (relating to standard
13 deduction) is amended—

14 (1) by striking “\$5,000” in subparagraph (A)
15 and inserting “200 percent of the dollar amount in
16 effect under subparagraph (C) for the taxable year”,

17 (2) by adding “or” at the end of subparagraph
18 (B),

19 (3) by striking “in the case of” and all that fol-
20 lows in subparagraph (C) and inserting “in any
21 other case.”, and

22 (4) by striking subparagraph (D).

23 (b) **TECHNICAL AMENDMENTS.**—

24 (1) Subparagraph (B) of section 1(f)(6) of such
25 Code is amended by striking “(other than with” and
26 all that follows through “shall be applied” and in-

1 serting “(other than with respect to sections
2 63(c)(4) and 151(d)(4)(A)) shall be applied”.

3 (2) Paragraph (4) of section 63(c) of such Code
4 is amended by adding at the end the following flush
5 sentence:

6 “The preceding sentence shall not apply to the
7 amount referred to in paragraph (2)(A).”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2000.

11 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
12 **BRACKET; REPEAL OF REDUCTION OF RE-**
13 **FUNDABLE TAX CREDITS.**

14 (a) IN GENERAL.—Subsection (f) of section 1 of the
15 Internal Revenue Code of 1986 (relating to adjustments
16 in tax tables so that inflation will not result in tax in-
17 creases) is amended by adding at the end the following
18 new paragraph:

19 “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-
20 PERCENT BRACKET.—

21 “(A) IN GENERAL.—With respect to tax-
22 able years beginning after December 31, 2002,
23 in prescribing the tables under paragraph (1)—

24 “(i) the maximum taxable income in
25 the lowest rate bracket in the table con-

1 tained in subsection (a) (and the minimum
 2 taxable income in the next higher taxable
 3 income bracket in such table) shall be the
 4 applicable percentage of the maximum tax-
 5 able income in the lowest rate bracket in
 6 the table contained in subsection (c) (after
 7 any other adjustment under this sub-
 8 section), and

9 “(ii) the comparable taxable income
 10 amounts in the table contained in sub-
 11 section (d) shall be $\frac{1}{2}$ of the amounts de-
 12 termined under clause (i).

13 “(B) APPLICABLE PERCENTAGE.—For
 14 purposes of subparagraph (A), the applicable
 15 percentage shall be determined in accordance
 16 with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2003	170.3
2004	173.8
2005	183.5
2006	184.3
2007	187.9
2008 and thereafter	200.0.

17 “(C) ROUNDING.—If any amount deter-
 18 mined under subparagraph (A)(i) is not a mul-
 19 tiple of \$50, such amount shall be rounded to
 20 the next lowest multiple of \$50.”.

1 (b) REPEAL OF REDUCTION OF REFUNDABLE TAX
2 CREDITS.—

3 (1) Subsection (d) of section 24 of such Code
4 is amended by striking paragraph (2) and redesignig-
5 nating paragraph (3) as paragraph (2).

6 (2) Section 32 of such Code is amended by
7 striking subsection (h).

8 (c) TECHNICAL AMENDMENTS.—

9 (1) Subparagraph (A) of section 1(f)(2) of such
10 Code is amended by inserting “except as provided in
11 paragraph (8),” before “by increasing”.

12 (2) The heading for subsection (f) of section 1
13 of such Code is amended by inserting “PHASEOUT
14 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”
15 before “ADJUSTMENTS”.

16 (d) EFFECTIVE DATES.—

17 (1) IN GENERAL.—Except as provided by para-
18 graph (2), the amendments made by this section
19 shall apply to taxable years beginning after Decem-
20 ber 31, 2002.

21 (2) REPEAL OF REDUCTION OF REFUNDABLE
22 TAX CREDITS.—The amendments made by sub-
23 section (b) shall apply to taxable years beginning
24 after December 31, 2001.

1 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**

2 **CREDIT.**

3 (a) **IN GENERAL.**—Paragraph (2) of section 32(b) of
4 the Internal Revenue Code of 1986 (relating to percent-
5 ages and amounts) is amended—

6 (1) by striking “AMOUNTS.—The earned” and
7 inserting “AMOUNTS.—

8 “(A) **IN GENERAL.**—Subject to subpara-
9 graph (B), the earned”, and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) **JOINT RETURNS.**—In the case of a
13 joint return, the phaseout amount determined
14 under subparagraph (A) shall be increased by
15 \$2,000.”.

16 (b) **INFLATION ADJUSTMENT.**—Paragraph (1)(B) of
17 section 32(j) of such Code (relating to inflation adjust-
18 ments) is amended to read as follows:

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year in which the taxable year begins,
22 determined—

23 “(i) in the case of amounts in sub-
24 sections (b)(2)(A) and (i)(1), by sub-
25 stituting ‘calendar year 1995’ for ‘calendar

1 year 1992' in subparagraph (B) thereof,
2 and
3 “(ii) in the case of the \$2,000 amount
4 in subsection (b)(2)(B), by substituting
5 ‘calendar year 2000’ for ‘calendar year
6 1992’ in subparagraph (B) of such section
7 1.”.

8 (c) ROUNDING.—Section 32(j)(2)(A) of such Code
9 (relating to rounding) is amended by striking “subsection
10 (b)(2)” and inserting “subsection (b)(2)(A) (after being
11 increased under subparagraph (B) thereof)”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2000.

Passed the House of Representatives July 12, 2000.

Attest:

Clerk.

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