

107TH CONGRESS
1ST SESSION

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To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2001

Mrs. HUTCHISON (for herself, Mr. LOTT, Mr. BROWNBACK, Mr. NICKLES, Mr. KYL, Mr. MURKOWSKI, Mr. ALLEN, Mr. GRAMM, Mr. CRAPO, Mr. WARNER, Mr. HAGEL, Mr. BUNNING, Mr. FRIST, Mr. MCCONNELL, Mr. BURNS, Mr. ENSIGN, Mr. HELMS, and Mr. CRAIG) 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 eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals, and for other purposes.

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; AMENDMENT OF 1986 CODE.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Marriage Tax Penalty Elimination Act of 2001”.

4 (b) AMENDMENT OF 1986 CODE.—Except as other-
5 wise expressly provided, whenever in this Act an amend-
6 ment or repeal is expressed in terms of an amendment
7 to, or repeal of, a section or other provision, the reference
8 shall be considered to be made to a section or other provi-
9 sion of the Internal Revenue Code of 1986.

10 (c) SECTION 15 NOT TO APPLY.—No amendment
11 made by section 2 shall be treated as a change in a rate
12 of tax for purposes of section 15 of the Internal Revenue
13 Code of 1986 .

14 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN INDI-**
15 **VIDUAL INCOME TAX RATES.**

16 (a) GENERAL RULE.—Section 1 (relating to tax im-
17 posed) is amended by striking subsections (a) through (e)
18 and inserting the following:

19 “(a) MARRIED INDIVIDUALS FILING JOINT RETURNS
20 AND SURVIVING SPOUSES.—There is hereby imposed on
21 the taxable income of—

22 “(1) every married individual (as defined in sec-
23 tion 7703) who makes a single return jointly with
24 his spouse under section 6013, and

25 “(2) every surviving spouse (as defined in sec-
26 tion 2(a)),

1 a tax determined in accordance with the following table:

“If taxable income is:	The tax is:
Not over \$54,100	15% of taxable income.
Over \$54,100 but not over \$131,100.	\$8,151, plus 28% of the excess over \$54,100.
Over \$131,100 but not over \$273,500.	\$29,647, plus 31% of the excess over \$131,100.
Over \$273,500 but not over \$594,600.	\$73,791, plus 36% of the excess over \$273,500.
Over \$594,600	\$189,315, plus 39.6% of the excess over \$594,600.

2 “(b) HEADS OF HOUSEHOLDS.—There is hereby im-
3 posed on the taxable income of every head of a household
4 (as defined in section 2(b)) a tax determined in accordance
5 with the following table:

“If taxable income is:	The tax is:
Not over \$36,250	15% of taxable income.
Over \$36,250 but not over \$93,600.	\$5,437.50, plus 28% of the excess over \$36,250.
Over \$93,600 but not over \$151,600.	\$21,495.50, plus 31% of the excess over \$93,600.
Over \$151,600 but not over \$297,300.	\$39,475.50, plus 36% of the excess over \$151,600.
Over \$297,300	\$91,927.50, plus 39.6% of the excess over \$297,300.

6 “(c) OTHER INDIVIDUALS.—There is hereby imposed
7 on the taxable income of every individual (other than an
8 individual to whom subsection (a) or (b) applies) a tax
9 determined in accordance with the following table:

“If taxable income is:	The tax is:
Not over \$27,050	15% of taxable income.
Over \$27,050 but not over \$65,550.	\$4,075.50, plus 28% of the excess over \$27,050.
Over \$65,550 but not over \$136,750.	\$14,823.50, plus 31% of the excess over \$65,550.
Over \$136,750 but not over \$297,300.	\$36,895.50, plus 36% of the excess over \$136,750.
Over \$297,300	\$94,657.50, plus 39.6% of the excess over \$297,300.

1 “(d) ESTATES AND TRUSTS.—There is hereby im-
2 posed on the taxable income of—

3 “(1) every estate, and

4 “(2) every trust,

5 taxable under this subsection a tax determined in accord-
6 ance with the following table:

“If taxable income is:	The tax is:
Not over \$1,800	15% of taxable income.
Over \$1,800 but not over \$4,250 ..	\$270, plus 28% of the excess over \$1,800.
Over \$4,250 but not over \$6,500 ..	\$956, plus 31% of the excess over \$4,250.
Over \$6,500 but not over \$8,900 ..	\$1,653.50, plus 36% of the excess over \$6,500.
Over \$8,900	\$2,517.50, plus 39.6% of the excess over \$8,900.”.

7 (b) INFLATION ADJUSTMENT TO APPLY IN DETER-
8 MINING RATES FOR 2002.—Subsection (f) of section 1 is
9 amended—

10 (1) by striking “1993” in paragraph (1) and in-
11 sserting “2001”,

12 (2) by striking “1992” in paragraph (3)(B) and
13 inserting “2000”, and

14 (3) by striking paragraph (7).

15 (c) CONFORMING AMENDMENTS.—

16 (1) The following provisions are each amended
17 by striking “1992” and inserting “2000” each place
18 it appears:

19 (A) Section 25A(h).

20 (B) Section 32(j)(1)(B).

- 1 (C) Section 41(e)(5)(C).
2 (D) Section 42(h)(3)(H)(i)(II).
3 (E) Section 59(j)(2)(B).
4 (F) Section 63(c)(4)(B).
5 (G) Section 68(b)(2)(B).
6 (H) Section 132(f)(6)(A)(ii).
7 (I) Section 135(b)(2)(B)(ii).
8 (J) Section 146(d)(2)(B).
9 (K) Section 151(d)(4).
10 (L) Section 220(g)(2).
11 (M) Section 221(g)(1)(B).
12 (N) Section 512(d)(2)(B).
13 (O) Section 513(h)(2)(C)(ii).
14 (P) Section 685(c)(3)(B).
15 (Q) Section 877(a)(2).
16 (R) Section 911(b)(2)(D)(ii)(II).
17 (S) Section 2032A(a)(3)(B).
18 (T) Section 2503(b)(2)(B).
19 (U) Section 2631(c)(2).
20 (V) Section 4001(e)(1)(B).
21 (W) Section 4261(e)(4)(A)(ii).
22 (X) Section 6039F(d).
23 (Y) Section 6323(i)(4)(B).
24 (Z) Section 6334(g)(1)(B).
25 (AA) Section 6601(j)(3)(B).

1 (BB) Section 7430(c)(1).

2 (2) Subclause (II) of section 42(h)(6)(G)(i) is
3 amended by striking “1987” and inserting “2000”.

4 (3) Sections 468B(b)(1), 511(b)(1), 641(a),
5 641(d)(2)(A), and 685(d) are each amended by
6 striking “section 1(e)” each place it appears and in-
7 serting “section 1(d)”.

8 (4) Sections 1(f)(2) and 904(b)(3)(E)(ii) are
9 each amended by striking “(d), or (e)” and inserting
10 “or (d)”.

11 (5) Paragraph (1) of section 1(f) is amended by
12 striking “(d), and (e)” and inserting “and (d)”.

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

16 **SEC. 3. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
17 **ARD DEDUCTION.**

18 (a) IN GENERAL.—Paragraph (2) of section 63(c)
19 (relating to standard deduction) is amended—

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

23 (2) by adding “or” at the end of subparagraph
24 (B);

1 (3) by striking “in the case of” and all that fol-
2 lows in subparagraph (C) and inserting “in any
3 other case.”; and

4 (4) by striking subparagraph (D).

5 (b) TECHNICAL AMENDMENTS.—

6 (1) Subparagraph (B) of section 1(f)(6) is
7 amended by striking “(other than with” and all that
8 follows through “shall be applied” and inserting
9 “(other than with respect to sections 63(c)(4) and
10 151(d)(4)(A)) shall be applied”.

11 (2) Paragraph (4) of section 63(c) is amended
12 by adding at the end the following flush sentence:
13 “The preceding sentence shall not apply to the
14 amount referred to in paragraph (2)(A).”.

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

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

19 **CREDIT.**

20 (a) IN GENERAL.—Paragraph (2) of section 32(b)
21 (relating to percentages and amounts) is amended—

22 (1) by striking “AMOUNTS.—The earned” and
23 inserting “AMOUNTS.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), the earned”; and

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

3 “(B) JOINT RETURNS.—In the case of a
4 joint return, the phaseout amount determined
5 under subparagraph (A) shall be increased by
6 \$2,000.”.

7 (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of
8 section 32(j) (relating to inflation adjustments) is amend-
9 ed to read as follows:

10 “(B) the cost-of-living adjustment deter-
11 mined under section 1(f)(3) for the calendar
12 year in which the taxable year begins,
13 determined—

14 “(i) in the case of amounts in sub-
15 sections (b)(2)(A) and (i)(1), by sub-
16 stituting ‘calendar year 1995’ for ‘calendar
17 year 1992’ in subparagraph (B) of section
18 1(f)(3), and

19 “(ii) in the case of the \$2,000 amount
20 in subsection (b)(2)(B), by substituting
21 ‘calendar year 1999’ for ‘calendar year
22 1992’ in subparagraph (B) of section
23 1(f)(3).”.

24 (c) ROUNDING.—Section 32(j)(2)(A) (relating to
25 rounding) is amended by striking “subsection (b)(2)” and

1 inserting “subparagraph (A) of subsection (b)(2) (after
2 being increased under subparagraph (B) thereof)”.

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

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