

110TH CONGRESS
1ST SESSION

H. R. 2734

To make the Economic Growth and Tax Relief Reconciliation Act of 2001
and certain other tax benefits permanent law.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2007

Mr. WALBERG (for himself, Mr. ADERHOLT, Mr. AKIN, Mrs. BACHMANN, Mr. BARRETT of South Carolina, Mr. BARTLETT of Maryland, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BISHOP of Utah, Mrs. BLACKBURN, Mr. BLUNT, Mr. BOOZMAN, Mr. BRADY of Texas, Mr. BUCHANAN, Mr. BURTON of Indiana, Mr. CAMP of Michigan, Mr. CAMPBELL of California, Mr. CANTOR, Mr. CARTER, Mr. CHABOT, Mr. COLE of Oklahoma, Mr. CONAWAY, Mrs. CUBIN, Mr. CULBERSON, Mr. DAVID DAVIS of Tennessee, Mr. DAVIS of Kentucky, Mr. MARIO DIAZ-BALART of Florida, Mrs. DRAKE, Mr. DUNCAN, Ms. FALLIN, Mr. FEENEY, Mr. FLAKE, Mr. FORBES, Mr. FORTUÑO, Mr. FRANKS of Arizona, Ms. FOXX, Mr. GALLEGLY, Mr. GARRETT of New Jersey, Mr. GINGREY, Mr. GOHMERT, Mr. GOODLATTE, Mr. HELLER of Nevada, Mr. HENSARLING, Mr. HOEKSTRA, Mr. JONES of North Carolina, Mr. JORDAN of Ohio, Mr. KING of Iowa, Mr. KINGSTON, Mr. KLINE of Minnesota, Mr. KNOLLENBERG, Mr. LAMBORN, Mr. LEWIS of California, Mr. LINDER, Mr. MACK, Mr. MANZULLO, Mr. MCCARTHY of California, Mr. MCCAUL of Texas, Mr. MCHENRY, Mr. GARY G. MILLER of California, Mrs. MYRICK, Mr. NEUGEBAUER, Mr. PAUL, Mr. PENCE, Mr. PEARCE, Mr. PITTS, Mr. POE, Mr. PRICE of Georgia, Mr. RADANOVICH, Mr. ROGERS of Michigan, Mr. ROSKAM, Mr. RYAN of Wisconsin, Mr. SALI, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SIMPSON, Mr. SMITH of Nebraska, Mr. SOUDER, Mr. WAMP, Mr. WELDON of Florida, Mr. WILSON of South Carolina, and Mr. LINCOLN DIAZ-BALART of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To make the Economic Growth and Tax Relief Reconciliation Act of 2001 and certain other tax benefits permanent law.

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 “Tax Increase Preven-
5 tion Act of 2007”.

6 **SEC. 2. TAX RELIEF MADE PERMANENT.**

7 (a) ECONOMIC GROWTH AND TAX RELIEF REC-
8 ONCILIATION ACT OF 2001.—Title IX of the Economic
9 Growth and Tax Relief Reconciliation Act of 2001 is here-
10 by repealed.

11 (b) INCOME TAX RATES ON DIVIDENDS AND NET
12 CAPITAL GAIN.—Section 303 of the Jobs and Growth Tax
13 Relief Reconciliation Act of 2003 is hereby repealed.

14 (c) DEDUCTION FOR STATE AND LOCAL SALES
15 TAXES.—Paragraph (5) of section 164(b) of the Internal
16 Revenue Code of 1986 is amended by striking subpara-
17 graph (I).

18 (d) DEDUCTION FOR TUITION AND RELATED EX-
19 PENSES.—Section 222 of such Code is amended by strik-
20 ing subsection (e).

21 (e) INCREASED EXPENSING FOR SMALL BUSI-
22 NESS.—

1 (1) DOLLAR LIMITATION.—Paragraph (1) of
2 section 179(b) of such Code (relating to dollar limi-
3 tation) is amended by striking “\$25,000 (\$125,000
4 in the case of taxable years beginning after 2006
5 and before 2011)” and inserting “\$125,000”.

6 (2) INCREASE IN QUALIFYING INVESTMENT AT
7 WHICH PHASEOUT BEGINS.—Paragraph (2) of sec-
8 tion 179(b) of such Code (relating to reduction in
9 limitation) is amended by striking “\$200,000
10 (\$500,000 in the case of taxable years beginning
11 after 2006 and before 2011)” and inserting
12 “\$500,000”.

13 (3) INFLATION ADJUSTMENTS.—Section
14 179(b)(5)(A) of such Code (relating to inflation ad-
15 justments) is amended by striking “and before
16 2011”.

17 (4) REVOCATION OF ELECTION.—Section
18 179(c)(2) of such Code (relating to election irrev-
19 ocable) is amended by striking “and before 2011”.

20 (5) COMPUTER SOFTWARE.—Clause (ii) of sec-
21 tion 179(d)(1)(A) of such Code is amended by strik-
22 ing “and before 2011”.

23 (f) RESEARCH CREDIT.—

1 (1) IN GENERAL.—Section 41 of such Code is
2 amended by striking subsection (h) (relating to ter-
3 mination).

4 (2) CONFORMING AMENDMENT.—Paragraph (1)
5 of section 45C(b) of such Code is amended by strik-
6 ing subparagraph (D).

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to amounts paid or in-
9 curred after December 31, 2007.

10 (g) EFFECTIVE DATE.—Except as provided in sub-
11 section (f), the amendments made by this section shall
12 take effect on the date of the enactment of this Act.

13 **SEC. 3. SENSE OF THE CONGRESS REGARDING SIMPLI-**
14 **FYING THE FEDERAL INCOME TAX SYSTEM.**

15 (a) FINDINGS.—The Congress finds that—

16 (1) the average time burden for all taxpayers
17 filing a Form 1040 Federal income tax return is 30
18 hours,

19 (2) more than 6 in 10 Americans now hire
20 someone to help prepare their tax returns every
21 year, and

22 (3) the hundreds of billions of dollars spent
23 each year complying with the Federal tax system
24 could be used more efficiently by families and busi-

1 nesses to grow the Nation's economy and create
2 jobs.

3 (b) SENSE OF CONGRESS.—It is the sense of the
4 House of Representatives that the Committee on Ways
5 and Means should report legislation on or before Decem-
6 ber 31, 2008, to simplify the Federal income tax system,
7 ensuring that the system is equitable, economically effi-
8 cient, simple, transparent and administrable, without rais-
9 ing tax rates.

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