

110TH CONGRESS
1ST SESSION

S. 2362

To amend the Internal Revenue Code of 1986 to provide an additional standard deduction for real property taxes for nonitemizers.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 15, 2007

Mr. BAYH (for himself, Mr. FEINGOLD, Ms. STABENOW, Mr. NELSON of Nebraska, and Mr. BIDEN) 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 an additional standard deduction for real property taxes for nonitemizers.

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 “Property Tax Fairness
5 Act of 2007”.

6 **SEC. 2. ADDITIONAL STANDARD DEDUCTION FOR REAL**
7 **PROPERTY TAXES FOR NONITEMIZERS.**

8 (a) IN GENERAL.—Section 63(c)(1) (defining stand-
9 ard deduction) is amended by striking “and” at the end

1 of subparagraph (A), by striking the period at the end
2 of subparagraph (B) and inserting “, and”, and by adding
3 at the end the following new subparagraph:

4 “(C) in the case of any taxable year begin-
5 ning in 2007 or 2008, the real property tax de-
6 duction.”.

7 (b) DEFINITION.—Section 63(c) is amended by add-
8 ing at the end the following new paragraph:

9 “(8) REAL PROPERTY TAX DEDUCTION.—For
10 purposes of paragraph (1), the real property tax de-
11 duction is equal to the amount of State and local
12 real property taxes (within the meaning of section
13 164) paid or accrued by the taxpayer during the tax-
14 able year which do not exceed \$350 (\$700 in the
15 case of a joint return).”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2006.

19 **SEC. 3. BROKER REPORTING OF CUSTOMER’S BASIS IN SE-**
20 **CURITIES TRANSACTIONS.**

21 (a) IN GENERAL.—Section 6045 of the Internal Rev-
22 enue Code of 1986 (relating to returns of brokers) is
23 amended by adding at the end the following new sub-
24 section:

1 “(g) ADDITIONAL INFORMATION REQUIRED IN THE
2 CASE OF SECURITIES TRANSACTIONS.—

3 “(1) IN GENERAL.—If a broker is otherwise re-
4 quired to make a return under subsection (a) with
5 respect to any applicable security, the broker shall
6 include in such return the information described in
7 paragraph (2).

8 “(2) ADDITIONAL INFORMATION REQUIRED.—

9 “(A) IN GENERAL.—The information re-
10 quired under paragraph (1) to be shown on a
11 return with respect to an applicable security of
12 a customer shall include for each reported ap-
13 plicable security the customer’s adjusted basis
14 in such security.

15 “(B) EXEMPTION FROM REQUIREMENT.—
16 The Secretary shall issue such regulations or
17 guidance as necessary concerning the applica-
18 tion of the requirement under subparagraph (A)
19 in cases in which a broker in making a return
20 does not have sufficient information to meet
21 such requirement with respect to the reported
22 applicable security. Such regulations or guid-
23 ance may—

1 “(i) require such other information re-
2 lated to such adjusted basis as the Sec-
3 retary may prescribe, and

4 “(ii) exempt classes of cases in which
5 the broker does not have sufficient infor-
6 mation to meet either the requirement
7 under subparagraph (A) or the require-
8 ment under clause (i).

9 “(3) INFORMATION TRANSFERS.—To the extent
10 provided in regulations, there shall be such ex-
11 changes of information between brokers as such reg-
12 ulations may require for purposes of enabling such
13 brokers to meet the requirements of this subsection.

14 “(4) DEFINITIONS.—For purposes of this sub-
15 section, the term ‘applicable security’ means any—

16 “(A) security described in subparagraph
17 (A) or (C) of section 475(e)(2),

18 “(B) interest in a regulated investment
19 company (as defined in section 851), or

20 “(C) other financial instrument designated
21 in regulations prescribed by the Secretary.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to returns the due date for which
24 (determined without regard to extensions) is after Decem-

1 ber 31, 2009, with respect to securities acquired after De-
2 cember 31, 2008.

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