AMENDMENT
OFFERED BY M__. ____________

At the end, add the following:

1 SEC. ___. INDIVIDUAL INCOME TAX RATE REDUCTIONS MADE PERMANENT.
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3 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—Section 1(a) is amended by striking the table contained therein and inserting the following:

“If taxable income is:” The tax is:

Not over $19,050 ..................................... 10% of taxable income.
Over $19,050 but not over $77,400 ........ $1,905, plus 12% of the excess over $19,050.
Over $77,400 but not over $165,000 ....... $8,907, plus 22% of the excess over $77,400.
Over $165,000 but not over $315,000 ...... $28,179, plus 24% of the excess over $165,000.
Over $315,000 but not over $400,000 ...... $64,179, plus 32% of the excess over $315,000.
Over $400,000 but not over $600,000 ...... $91,379, plus 35% of the excess over $400,000.
Over $600,000 ....................................... $161,379, plus 37% of the excess over $600,000.”.

(b) HEAD OF HOUSEHOLDS.—Section 1(b) is amended by striking the table contained therein and inserting the following:

“If taxable income is:” The tax is:

Not over $13,600 ..................................... 10% of taxable income.
Over $13,600 but not over $31,800 ........ $1,360, plus 12% of the excess over $13,600.
"If taxable income is:  The tax is:

Over $51,800 but not over $82,500 .......... $5,944, plus 22% of the excess over $51,800.
Over $82,500 but not over $157,500 ...... $12,698, plus 24% of the excess over $82,500.
Over $157,500 but not over $200,000 ..... $30,698, plus 32% of the excess over $157,500.
Over $200,000 but not over $500,000 ...... $44,298, plus 35% of the excess over $200,000.
Over $500,000 ........................................... $149,298, plus 37% of the excess over $500,000.”.

(c) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLD.—Section 1(c) is amended by striking the table contained therein and inserting the following:

"If taxable income is:  The tax is:

Not over $9,525 ................................. 10% of taxable income.
Over $9,525 but not over $38,700 .......... $952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $82,500 ........ $4,453.50, plus 22% of the excess over $38,700.
Over $82,500 but not over $157,500 ...... $14,089.50, plus 24% of the excess over $82,500.
Over $157,500 but not over $200,000 ..... $32,089.50, plus 32% of the excess over $157,500.
Over $200,000 but not over $500,000 ...... $45,689.50, plus 35% of the excess over $200,000.
Over $500,000 ........................................... $150,689.50, plus 37% of the excess over $500,000.”.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—Section 1(d) is amended by striking the table contained therein and inserting the following:

"If taxable income is:  The tax is:

Not over $9,525 ................................. 10% of taxable income.
Over $9,525 but not over $38,700 .......... $952.50, plus 12% of the excess over $9,525.
Over $38,700 but not over $82,500 ........ $4,453.50, plus 22% of the excess over $38,700.
Over $82,500 but not over $157,500 ...... $14,089.50, plus 24% of the excess over $82,500.
If taxable income is: The tax is:

Over $157,500 but not over $200,000 ....... $32,089.50, plus 32% of the excess over $157,500.
Over $200,000 but not over $300,000 ....... $45,689.50, plus 35% of the excess over $200,000.
Over $300,000 ........................................... $80,689.50, plus 37% of the excess over $300,000.

(e) Estates and Trusts.—Section 1(e) is amended by striking the table contained therein and inserting the following:

If taxable income is: The tax is:

Not over $2,550 ........................................ 10% of taxable income.
Over $2,550 but not over $9,150 ......... $255, plus 24% of the excess over $2,550.
Over $9,150 but not over $12,500 ......... $1,839, plus 35% of the excess over $9,150.
Over $12,500 ............................................. $3,011.50, plus 37% of the excess over $12,500.

(f) Inflation Adjustments.—Section 1(f) is amended—

(1) by striking “1993” in paragraph (1) and inserting “2018”,

(2) by amending paragraph (2)(A) to read as follows:

“(A) by increasing the minimum and maximum dollar amounts for each bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year, determined under this subsection for such calendar year by substituting ‘2017’ for ‘2016’ in paragraph (3)(A)(ii),”,
(3) in paragraph (7)(B), by striking all that precedes “(other than with respect to” and inserting the following:

“(B) SPECIAL RULE.—In the case of a table prescribed in lieu of the table contained in subsection (b), (c), or (d), subparagraph (A),”

(4) by striking paragraph (8), and

(5) in the heading, by striking “PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET; ADJUSTMENTS” and inserting “ADJUSTMENTS”.

(g) APPLICATION OF INCOME TAX BRACKETS TO CAPITAL GAINS BRACKETS.—Section 1(h) is amended—

(1) in paragraph (1)(B)(i), by striking “25 percent” and inserting “22 percent”,

(2) in paragraph (1)(C)(ii)(I), by striking “which would (without regard to this paragraph) be taxed at a rate below 39.6 percent” and inserting “below the maximum 15-percent rate amount”, and

(3) by adding at the end the following new paragraphs:

“(12) MAXIMUM 15-PERCENT RATE AMOUNT DEFINED.—For purposes of this subsection, the maximum 15-percent rate amount shall be—

“(A) in the case of a joint return or surviving spouse (as defined in section 2(a)),

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$479,000 (½ such amount in the case of a married individual filing a separate return),

“(B) in the case of an individual who is the head of a household (as defined in section 2(b)), $452,400,

“(C) in the case of any other individual (other than an estate or trust), $425,800, and

“(D) in the case of an estate or trust, $12,700.

“(13) Determination of 0 Percent Rate Bracket for Estates and Trusts.—In the case of any estate or trust, paragraph (1)(B) shall be applied by treating the amount determined in clause (i) thereof as being equal to $2,600.

“(14) Inflation Adjustment.—

“(A) In General.—In the case of any taxable year beginning after 2018, each of the dollar amounts in paragraphs (12) and (13) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar
year 2017’ for ‘calendar year 2016’ in sub-
paragraph (A)(ii) thereof.

“(B) Rounding.—If any increase under
subparagraph (A) is not a multiple of $50, such
increase shall be rounded to the next lowest
multiple of $50.”.

(h) Application of Section 15.—

(1) In General.—Subsection (a) of section 15
is amended by striking “If any rate of tax” and in-
serting “In the case of a corporation, if any rate of
tax”.

(2) Conforming Amendments.—

(A) Section 15 is amended by striking sub-
sections (d), (e), and (f).

(B) Section 6013(c) is amended by strik-
ing “sections 15, 443, and 7851(a)(1)(A)” and
inserting “section 443”.

(C) The heading of section 15 is amended
by inserting “ON CORPORATIONS” after “EF-
FECT OF CHANGES”.

(D) The table of sections for part III of
subchapter A of chapter 1 is amended by strik-
ing the item relating to section 15 and inserting
the following new item:

“Sec. 15. Effect of changes on corporations.”.

(i) Conforming Amendments.—
(1) Section 1 is amended by striking subsections (i) and (j).

(2) Section 3402(q)(1) is amended by striking “third lowest” and inserting “fourth lowest”.

(j) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

(2) APPLICATION OF SECTION 15.—Section 15 of the Internal Revenue Code of 1986 shall not apply to any change in a rate of tax by reason of—

(A) section 1(j) of such Code (as in effect before its repeal by this section), or

(B) any amendment made by this Act.

SEC. ___ . DEDUCTION FOR QUALIFIED BUSINESS INCOME MADE PERMANENT.

Section 199A of the Internal Revenue Code of 1986 is amended by striking subsection (i).