

| “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.”. |

1 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-
2 VIVING SPOUSES AND HEADS OF HOUSEHOLD.—Section
3 1(c) is amended by striking the table contained therein
4 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.”. |

5 (d) MARRIED INDIVIDUALS FILING SEPARATE RE-
6 TURNS.—Section 1(d) is amended by striking the table
7 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.”. |

1 (e) ESTATES AND TRUSTS.—Section 1(e) is amended
2 by striking the table contained therein and inserting the
3 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.”. |

4 (f) INFLATION ADJUSTMENTS.—Section 1(f) is
5 amended—

6 (1) by striking “1993” in paragraph (1) and in-
7 sserting “2018”,

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

10 “(A) by increasing the minimum and max-
11 imum dollar amounts for each bracket for
12 which a tax is imposed under such table by the
13 cost-of-living adjustment for such calendar year,
14 determined under this subsection for such cal-
15 endar year by substituting ‘2017’ for ‘2016’ in
16 paragraph (3)(A)(ii),”

1 (3) in paragraph (7)(B), by striking all that
2 precedes “(other than with respect to” and inserting
3 the following:

4 “(B) SPECIAL RULE.—In the case of a
5 table prescribed in lieu of the table contained in
6 subsection (b), (c), or (d), subparagraph (A)”,
7 (4) by striking paragraph (8), and
8 (5) in the heading, by striking “PHASEOUT OF
9 MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-
10 JUSTMENTS” and inserting “ADJUSTMENTS”.

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

13 (1) in paragraph (1)(B)(i), by striking “25 per-
14 cent” and inserting “22 percent”,

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

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

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

24 “(A) in the case of a joint return or sur-
25 viving spouse (as defined in section 2(a)),

1 \$479,000 ($\frac{1}{2}$ such amount in the case of a
2 married individual filing a separate return),

3 “(B) in the case of an individual who is
4 the head of a household (as defined in section
5 2(b)), \$452,400,

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

8 “(D) in the case of an estate or trust,
9 \$12,700.

10 “(13) DETERMINATION OF 0 PERCENT RATE
11 BRACKET FOR ESTATES AND TRUSTS.—In the case
12 of any estate or trust, paragraph (1)(B) shall be ap-
13 plied by treating the amount determined in clause (i)
14 thereof as being equal to \$2,600.

15 “(14) INFLATION ADJUSTMENT.—

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

20 “(i) such dollar amount, multiplied by

21 “(ii) the cost-of-living adjustment de-
22 termined under subsection (f)(3) for the
23 calendar year in which the taxable year be-
24 gins, determined by substituting ‘calendar

1 year 2017’ for ‘calendar year 2016’ in sub-
2 paragraph (A)(ii) thereof.

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

7 (h) APPLICATION OF SECTION 15.—

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

12 (2) CONFORMING AMENDMENTS.—

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

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

18 (C) The heading of section 15 is amended
19 by inserting “**ON CORPORATIONS**” after “**EF-**
20 **TECT OF CHANGES**”.

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

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

25 (i) CONFORMING AMENDMENTS.—

1 (1) Section 1 is amended by striking sub-
2 sections (i) and (j).

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

5 (j) EFFECTIVE DATE.—

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

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

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

14 (B) any amendment made by this Act.

15 **SEC. ____ . DEDUCTION FOR QUALIFIED BUSINESS INCOME**
16 **MADE PERMANENT.**

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

