

**AMENDMENT TO THE MANAGERS AMENDMENT TO
RULES COMMITTEE PRINT 117-18
OFFERED BY MS. MILLER OF WEST VIRGINIA**

Amend section 137601 by adding at the end the following new subsection:

**(d) DENIAL OF DEDUCTION CAP EXPANSION OF
CERTAIN STATE AND LOCAL TAXES WITH
RESPECT TO CERTAIN TAXPAYERS.**

(a) IN GENERAL.—Section 164(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

**“(7) DENIAL OF DEDUCTION CAP
EXPANSION OF CERTAIN STATE AND LOCAL
TAXES WITH RESPECT TO CERTAIN
TAXPAYERS.—**

“(A) IN GENERAL.—In the case of any taxpayer whose adjusted gross income for any taxable year beginning after December 31, 2020, exceeds \$173,999 -

(i) foreign real property taxes shall not be taken into account under subsection (a)(1), and

(ii) the aggregate amount of taxes taken into account under paragraphs (1), (2), and (3) of subsection (a) and paragraph (5) of this subsection for any taxable year shall

not exceed \$10,000 (\$5,000 in the case of a married individual filing a separate return).

The preceding sentence shall not apply to any foreign taxes described in subsection (a)(3) or to any taxes described in paragraph (1) and (2) of subsection (a) which are paid or accrued in carrying on a trade or business or an activity described in section 212.

(B) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2020.”.