

Amendment to the  
Senate Amendment to H.R. 1  
Offered by M. \_\_\_\_\_  
[H.R. 1, The One Big Beautiful Bill Act]

Strike section 70101 and insert the following:

1 SEC. 70101. MODIFICATION OF RATES; RESTORATION OF  
2 39.6 PERCENT RATE FOR HIGH INCOME INDIVIDUALS.  
3

4 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS  
5 AND SURVIVING SPOUSES.—Section 1(a) is amended by  
6 striking the table contained therein and inserting the following:  
7

“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 \$450,000 .....	\$91,379, plus 35% of the excess over \$400,000.
Over \$450,000 .....	\$108,879, plus 39.6% of the excess over \$450,000.”.

8 (b) HEADS OF HOUSEHOLDS.—Section 1(b) is  
9 amended by striking the table contained therein and inserting the following:  
10

“If taxable income is:	The tax is:
Not over \$13,600 .....	10% of taxable income.

<b>“If taxable income is:</b>	<b>The tax is:</b>
Over \$13,600 but not over \$51,800 .....	\$1,360, plus 12% of the excess over \$13,600.
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 \$425,000 .....	\$44,298, plus 35% of the excess over \$200,000.
Over \$425,000 .....	\$123,048, plus 39.6% of the excess over \$425,000.”.

1        (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-  
2 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—Section  
3 1(c) is amended by striking the table contained therein  
4 and inserting the following:

<b>“If taxable income is:</b>	<b>The tax is:</b>
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 \$400,000 .....	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$400,000 .....	\$115,689.50, plus 39.6% of the excess over \$400,000.”.

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:

<b>“If taxable income is:</b>	<b>The tax is:</b>
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.

**“If taxable income is:****The tax is:**

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 \$225,000 .....	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$225,000 .....	\$54,439.50, plus 39.6% of the excess over \$225,000.”.

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 but not over \$15,000 .....	\$3,011.50, plus 37% of the excess over \$12,500.
Over \$15,000 .....	\$6,522, plus 39.6% of the excess over \$15,000.”.

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

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

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

1 (2) by amending paragraph (7) to read as fol-  
2 lows:

3 “(7) ROUNDING.—

4 “(A) IN GENERAL.—Except as provided in  
5 subparagraph (B), if any increase determined  
6 under paragraph (2)(A) is not a multiple of  
7 \$25, such increase shall be rounded to the next  
8 lowest multiple of \$25.

9 “(B) JOINT RETURNS, ETC.—In the case  
10 of a table prescribed under subsection (a), sub-  
11 paragraph (A) shall be applied by substituting  
12 ‘\$50’ for ‘\$25’ both places it appears.”

13 (3) by striking paragraph (8), and

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

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

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

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

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

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

6           “(A) in the case of a joint return or sur-  
7 viving spouse (as defined in section 2(a)),  
8 \$479,000 (<sup>1</sup>/<sub>2</sub> such amount in the case of a  
9 married individual filing a separate return),

10           “(B) in the case of an individual who is a  
11 head of household (as defined in section 2(b)),  
12 \$452,400,

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

15           “(D) in the case of an estate or trust,  
16 \$12,700.

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

22           “(14) INFLATION ADJUSTMENT.—

23           “(A) IN GENERAL.—Each of the dollar  
24 amounts in paragraphs (12) and (13) shall be  
25 increased by an amount equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-

3 termined under subsection (f)(3) for the

4 calendar year in which the taxable year be-

5 gins, determined by substituting ‘calendar

6 year 2017’ for ‘calendar year 2016’ in sub-

7 paragraph (A)(ii) thereof.

8 “(B) ROUNDING.—If any increase under

9 subparagraph (A) is not a multiple of \$50, such

10 increase shall be rounded to the next lowest

11 multiple of \$50.”.

12 (h) CONFORMING AMENDMENTS.—

13 (1) Section 1 is amended by striking sub-

14 sections (i) and (j).

15 (2) Section 3402(q)(1) is amended by striking

16 “third lowest” and inserting “fourth lowest”.

17 (i) APPLICATION OF SECTION 15.—

18 (1) IN GENERAL.—Subsection (a) of section 15 is

19 amended by striking “If any rate of tax” and in-

20 serting “In the case of a corporation, if any rate of

21 tax”.

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 15 is amended by striking sub-

24 sections (d) and (f).

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

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

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

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

11 (j) EFFECTIVE DATE.—

12 (1) IN GENERAL.—The amendments made by  
13 this section shall apply to taxable years beginning  
14 after December 31, 2025.

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

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

20 (B) any amendment made by this Act.

Strike section 70105 and insert the following:

1 SEC. 70105. DEDUCTION FOR QUALIFIED BUSINESS IN-  
2 COME; PHASEOUT FOR HIGH INCOME INDIVIDUALS.  
3

4 (a) IN GENERAL.—Section 199A is amended by  
5 striking subsection (i).

6 (b) PHASEOUT BASED ON MODIFIED ADJUSTED  
7 GROSS INCOME.—Section 199A, as amended by sub-  
8 section (a), is amended by adding at the end the following  
9 new subsection:

10 “(i) PHASEOUT BASED ON MODIFIED ADJUSTED  
11 GROSS INCOME.—

12 “(1) IN GENERAL.—The amount of the deduc- tion  
13 under subsection (a) shall be reduced by 50 per- cent  
14 of the amount by which the modified adjusted gross  
15 income of the taxpayer for the taxable year ex- ceeds  
16 \$450,000 (\$225,000, in the case of a married  
17 individual filing a separate return).

18 “(2) MODIFIED ADJUSTED GROSS INCOME.—  
19 For purposes of this subsection, the term ‘modified  
20 adjusted gross income’ means the adjusted gross in-  
21 come of the taxpayer for the taxable year increased  
22 by any amount excluded from gross income under  
23 section 911, 931, or 933.

24 “(3) ESTATES AND TRUSTS.—For purposes of  
25 this subsection, in the case of an estate or trust, ad-



1       justed gross income shall be computed as provided  
2       in section 67(e).”.

3       (c) EFFECTIVE DATE.—The amendments made by  
4       this section shall apply to taxable years beginning after  
5       December 31, 2025.

Strike section 70602 and insert the following:

6       **SEC. 70602. LIMITATION ON LOSSES FOR TAXPAYERS**  
7               **OTHER THAN CORPORATIONS.**

8       (a) IN GENERAL.—Section 461 is amended—

9               (1) by amending subsection (l)(1) to read as  
10       follows:

11               “(1) LIMITATION.—In the case of a taxpayer other  
12       than a corporation, any excess business loss of the  
13       taxpayer for the taxable year shall not be al- lowed.”,  
14       and

15               (2) by striking subsection (j) and redesignating  
16       subsections (k) and (l) (as amended) as subsections  
17       (j) and (k), respectively.

18       (b) CONFORMING AMENDMENTS.—

19               (1) Section 58(a)(2)(A) is amended by striking  
20       “461(k)” and inserting “461(j)”.

21               (2) Section 461(i)(4) is amended by striking  
22       “subsection (k)” and inserting “subsection (j)”.

1           (3) Section 464(d)(2)(B)(iii) is amended by  
2       striking “section 461(k)(2)(E)” and inserting “sec-  
3       tion 461(j)(2)(E)”.

4           (4) Subparagraphs (B) and (C) of section  
5       1256(e)(3) are each amended by striking “section  
6       461(k)(4)” and inserting “section 461(j)(4)”.

7           (5) Section 1258(d)(5)(C) is amended by strik-  
8       ing “section 461(k)(4)” and inserting “section  
9       461(j)(4)”.

10       (c) EFFECTIVE DATE.—The amendments made by this  
11       section shall apply to taxable years beginning after the  
12       date of the enactment of this Act.

Strike section 70102 and insert the following

13   **SEC. 70102. INCREASE IN STANDARD DEDUCTION.**

14       (a) IN GENERAL.—Section 63(c)(2) is amended—

15           (1) by striking “\$4,400” in subparagraph (B)  
16       and inserting “\$18,000”, and

17           (2) by striking “\$3,000” in subparagraph (C)  
18       and inserting “\$12,000”.

19       (b) INFLATION ADJUSTMENT.—Section 63(c)(4) is  
20       amended to read as follows:

21           “(4) ADJUSTMENTS FOR INFLATION.—

22               “(A) IN GENERAL.—Each dollar amount in  
23       paragraph (2)(B), (2)(C), or (5) or subsection  
24       (f) shall be increased by an amount equal to—

1 “(i) such dollar amount, multiplied by

2 “(ii) the cost-of-living adjustment de-

3 termined under section 1(f)(3) for the cal-

4 endar year in which the taxable year be-

5 gins, determined by substituting for ‘2016’

6 in subparagraph (A)(ii) thereof—

7 “(I) in the case of the dollar

8 amounts contained in paragraph

9 (2)(B) or (2)(C), ‘2017’,

10 “(II) in the case of the dollar

11 amounts contained in paragraph

12 (5)(A) or subsection (f), ‘1987’, and

13 “(III) in the case of the dollar

14 amount contained in paragraph

15 (5)(B), ‘1997’.

16 “(B) ROUNDING.—If any increase under

17 subparagraph (A) is not a multiple of \$50, such

18 increase shall be rounded to the next lowest

19 multiple of \$50.”.

20 (c) CONFORMING AMENDMENT.—Section 63(c) is

21 amended by striking paragraph (7).

22 (d) EFFECTIVE DATE.—If the Congressional Budget

23 Office certifies that the ten year score for this Act in-

24 creases the Federal deficit, the amendments made by this

1 section shall apply to taxable years beginning after such  
2 date.

Strike section 70104 and insert the following:

3 **SEC. 70104. INCREASE IN AND MODIFICATION OF CHILD**  
4 **TAX CREDIT.**

5 (a) IN GENERAL.—Section 24 is amended by striking  
6 subsections (a), (b), and (c) and inserting the following  
7 new subsections:

8 “(a) ALLOWANCE OF CREDIT.—There shall be al- lowed  
9 as a credit against the tax imposed by this chapter for the  
10 taxable year an amount equal to the sum of—

11 “(1) \$2,000 for each qualifying child of the tax-  
12 payer, and

13 “(2) \$500 for each qualifying dependent (other  
14 than a qualifying child) of the taxpayer.

15 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-  
16 COME.—The amount of the credit allowable under sub-  
17 section (a) shall be reduced (but not below zero) by \$50  
18 for each \$1,000 (or fraction thereof) by which the tax-  
19 payer’s modified adjusted gross income exceeds \$400,000  
20 in the case of a joint return (\$200,000 in any other case).  
21 For purposes of the preceding sentence, the term “modi-  
22 fied adjusted gross income” means adjusted gross income  
23 increased by any amount excluded from gross income  
24 under section 911, 931, or 933.

1       “(c) QUALIFYING CHILD; QUALIFYING DEPEND-  
2 ENT.—For purposes of this section—

3               “(1) QUALIFYING CHILD.—The term ‘qualifying  
4 child’ means any qualifying dependent of the tax-  
5 payer—

6                       “(A) who is a qualifying child (as defined in  
7 section 7706(c)) of the taxpayer,

8                       “(B) who has not attained age 17 at the  
9 close of the calendar year in which the taxable  
10 year of the taxpayer begins, and

11                      “(C) whose name and social security num-  
12 ber are included on the taxpayer’s return of tax  
13 for the taxable year.

14               “(2) QUALIFYING DEPENDENT.—The term  
15 ‘qualifying dependent’ means any dependent of the  
16 taxpayer (as defined in section 7706 without regard  
17 to all that follows ‘resident of the United States’ in  
18 section 7706(b)(3)(A)) whose name and TIN are in-  
19 cluded on the taxpayer’s return of tax for the tax-  
20 able year.

21               “(3) SOCIAL SECURITY NUMBER DEFINED.—  
22 For purposes of this subsection, the term ‘social se-  
23 curity number’ means, with respect to a return of  
24 tax, a social security number issued to an individual

1 by the Social Security Administration, but only if the  
2 social security number is issued—

3 “(A) to a citizen of the United States or  
4 pursuant to subclause (I) (or that portion of  
5 subclause (III) that relates to subclause (I)) of  
6 section 205(c)(2)(B)(i) of the Social Security  
7 Act, and

8 “(B) on or before the due date of filing such  
9 return.”.

10 (b) PORTION OF CREDIT REFUNDABLE.—

11 (1) IN GENERAL.—Section 24(d)(1)(A) is  
12 amended to read as follows:

13 “(A) the credit which would be allowed  
14 under this section determined—

15 “(i) by substituting ‘\$1,400’ for  
16 ‘\$2,000’ in subsection (a)(1),

17 “(ii) without regard to subsection  
18 (a)(2), and

19 “(iii) without regard to this subsection  
20 (other than this subparagraph) and the  
21 limitation under section 26(a), or”.

22 (2) MODIFICATION OF LIMITATION BASED ON  
23 EARNED INCOME.—Section 24(d)(1)(B)(i) is amend-  
24 ed by striking “\$3,000” and inserting “\$2,500”.

1           (3) INFLATION ADJUSTMENT.—Section 24(d) is  
2       amended by inserting after paragraph (3) the fol-  
3       lowing new paragraph:

4           “(4) ADJUSTMENT FOR INFLATION.—

5               “(A) IN GENERAL.—The \$1,400 amount in  
6       paragraph (1)(A)(i) shall be increased by an  
7       amount equal to—

8               “(i) such dollar amount, multiplied by

9               “(ii) the cost-of-living adjustment de-  
10      termined under section 1(f)(3) for the cal-  
11      endar year in which the taxable year be-  
12      gins, determined by substituting ‘2017’ for  
13      ‘2016’ in subparagraph (A)(ii) thereof.

14           “(B) ROUNDING.—If any increase under  
15      subparagraph (A) is not a multiple of \$100,  
16      such increase shall be rounded to the next low-  
17      est multiple of \$100.

18           “(C) LIMITATION.—The amount of any in-  
19      crease under subparagraph (A) (after the appli-  
20      cation of subparagraph (B)) shall not exceed  
21      \$600.”.

22           (4) CONFORMING AMENDMENTS.—

23               (A) Section 24(e) is amended to read as  
24      follows:

1       “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—  
2 No credit shall be allowed under this section if the identi-  
3 fying number of the taxpayer was issued after the due date  
4 for filing the return of tax for the taxable year.”.

5               (B) Section 24 is amended by striking sub-  
6 section (h).

7       (c) REPEAL OF CERTAIN LATER ENACTED PROVI-  
8 SIONS.—

9               (1) Section 24 is amended by striking sub-  
10 sections (i), (j), and (k).

11              (2) Chapter 77 is amended by striking section  
12 7527A (and by striking the item relating to section  
13 7527A in the table of sections for such chapter).

14              (3) Section 26(b)(2) is amended by inserting  
15 “and” at the end of subparagraph (X), by striking  
16 “, and” at the end of subparagraph (Y) and insert-  
17 ing a period, and by striking subparagraph (Z).

18              (4) Section 3402(f)(1)(C) is amended by strik-  
19 ing “section 24 (determined after application of sub-  
20 section (j) thereof)” and inserting “section 24(a)”.

21              (5) Section 6211(b)(4)(A) is amended—

22                      (A) by striking “24 by reason of sub-  
23 sections (d) and (i)(1) thereof” and inserting  
24 “24(d)”, and



1 (B) by striking “6428B, and 7527A” and  
2 inserting “and 6428B”.

3 (6) Paragraph (2) of section 1324(b) of title 31,  
4 United States Code, is amended by striking “6431, or  
5 7527A” and inserting “or 6431”.

6 (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to taxable years beginning after  
8 the date of the enactment of this Act.

Strike 112028 and insert the following:

9 **SEC. 112028. INCREASED LIMITATION FOR CERTAIN CHARI-**  
10 **TABLE CONTRIBUTIONS.**

11 (a) IN GENERAL.—Section 170(b)(1)(G) is amended  
12 to read as follows:

13 “(G) CASH CONTRIBUTIONS.—

14 “(i) IN GENERAL.—Any contribution of  
15 cash to an organization described in  
16 subparagraph (A) shall be allowed to the  
17 extent that the aggregate of such contribu-  
18 tions does not exceed 60 percent of the  
19 taxpayer’s contribution base for the taxable  
20 year, reduced by the aggregate amount of  
21 contributions allowable under subpara-  
22 graph (A) for such taxpayer for such year.

23 “(ii) CARRYOVER.—If the aggregate  
24 amount of contributions described in clause

1 (i) exceeds the limitation of clause (i), such  
2 excess shall be treated (in a manner con-  
3 sistent with the rules of subsection (d)(1))  
4 as a charitable contribution to which clause  
5 (i) applies in each of the 5 succeeding  
6 years in order of time.”.

7 (b) COORDINATION WITH LIMITATIONS ON OTHER  
8 CONTRIBUTIONS.—

9 (1) COORDINATION WITH 50 PERCENT LIMITA-  
10 TION.—Section 170(b)(1)(A) is amended by striking  
11 “Any charitable contribution” and inserting “Any  
12 charitable contribution other than a contribution de-  
13 scribed in subparagraph (G)”.

14 (2) COORDINATION WITH 30 PERCENT LIMITA-  
15 TION.—Section 170(b)(1)(B) is amended—

16 (A) in the matter preceding clause (i), by  
17 striking “to which subparagraph (A) applies”  
18 and inserting “to which subparagraph (A) or  
19 (G) applies”,

20 (B) by amending clause (ii) to read as fol-  
21 lows:

22 “(ii) the excess of—

23 “(I) the sum of 50 percent of the  
24 taxpayer’s contribution base for the  
25 taxable year, plus so much of the

1 amount of charitable contributions al-  
2 lowable under subparagraph (G) as  
3 does not exceed 10 percent of such  
4 contribution base, over

5 “(II) the amount of charitable  
6 contributions allowable under sub-  
7 paragraphs (A) and (G) (determined  
8 without regard to subparagraph  
9 (C)).”, and

10 (C) in the matter following clause (ii), by  
11 striking “(to which subparagraph (A) does not  
12 apply)” and inserting “(to which neither sub-  
13 paragraph (A) nor (G) applies)”.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to contributions made in taxable  
16 years beginning after the date of the enactment of this  
17 Act.

Strike section 70115 and insert the following sec-  
tions:

18 SEC. 110015. INCREASED CONTRIBUTIONS TO ABLE AC-  
19 COUNTS.

20 (a) INCREASE IN LIMITATION FOR CONTRIBUTIONS  
21 FROM COMPENSATION OF INDIVIDUALS WITH DISABIL-  
22 ITIES.—Section 529A(b)(2)(B)(ii) is amended by striking  
23 “before January 1, 2026”.

1 (b) ALLOWANCE OF SAVER'S CREDIT FOR ABLE  
2 CONTRIBUTIONS BY ACCOUNT HOLDER.—Section  
3 25B(d)(1)(D) is amended by striking “made before Janu-  
4 ary 1, 2026,”.

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 the date of the enactment of this Act.

8 **SEC. 110016. ROLLOVERS TO ABLE PROGRAMS FROM 529**  
9 **PROGRAMS.**

10 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is  
11 amended by striking “before January 1, 2026,”.

12 (b) EFFECTIVE DATE.—The amendments made by this  
13 section shall apply to distributions after the date of the  
14 enactment of this Act.

Strike section 70118 and insert the following:

15 **SEC. 70118. TREATMENT OF CERTAIN INDIVIDUALS PER-**  
16 **FORMING SERVICES IN THE SINAI PENIN-**  
17 **SULA OF EGYPT.**

18 (a) IN GENERAL.—Section 112(c)(2) is amended—

19 (1) by striking “means any area” and inserting  
20 “means—

21 “(A) any area”, and

22 (2) by striking the period at the end and insert-  
23 ing “, and

24 “(B) the Sinai Peninsula of Egypt.”.

1 (b) PERIOD OF TREATMENT.—Section 112(c)(3) is  
2 amended—

3 (1) by striking “only if performed” and insert-  
4 ing “only if—

5 “(A) in the case of an area described in  
6 paragraph (2)(A), such service is performed”,  
7 and

8 (2) by striking the period at the end and insert-  
9 ing “, and

10 “(B) in the case of the area described in  
11 paragraph (2)(B), such service is performed  
12 during any period with respect to which one or  
13 more members of the Armed Forces of the  
14 United States are entitled to special pay under  
15 section 310 of title 37, United States Code (re-  
16 lating to special pay; duty subject to hostile fire  
17 or imminent danger), for service performed in  
18 such area.”.

19 (c) CONFORMING AMENDMENT.—Public Law 115-97  
20 is amended by striking section 11026.

21 (d) EFFECTIVE DATE.—The amendments made by this  
22 section shall apply with respect to services performed on  
23 or after the date of the enactment of this Act.

Strike section 70119 and insert the following sec-  
tions:

1 SEC. 70119. TREATMENT OF STUDENT LOAN DISCHARGES.

2 (a) SUNSET OF SPECIAL RULE FOR DISCHARGES OF  
3 CERTAIN LOANS.—Section 108(f)(5) is amended—

4 (1) in the heading, by striking “2025” and in-  
5 serting “2024”, and

6 (2) by striking “January 1, 2026” and insert-  
7 ing “January 1, 2025”.

8 (b) REINSTATEMENT OF RULE FOR DISCHARGES ON  
9 ACCOUNT OF DEATH OR DISABILITY AFTER 2024.—Sec-  
10 tion 108(f) is amended by adding at the end the following  
11 new paragraph:

12 “(6) DISCHARGES ON ACCOUNT OF DEATH OR  
13 DISABILITY AFTER 2024.—

14 “(A) IN GENERAL.—In the case of an indi-  
15 vidual, gross income does not include any  
16 amount which (but for this subsection) would  
17 be includible in gross income for such taxable  
18 year by reasons of the discharge (in whole or in  
19 part) of any loan described in subparagraph  
20 (B) after December 31, 2024, if such discharge  
21 was—

22 “(i) pursuant to subsection (a) or (d)  
23 of section 437 of the Higher Education Act  
24 of 1965 or the parallel benefit under part  
25 D of title IV of such Act (relating to  
26 the repayment of loan liability),

1 “(ii) pursuant to section 464(c)(1)(F)  
2 of such Act, or

3 “(iii) otherwise discharged on account  
4 of the death or total and permanent dis-  
5 ability of the student.

6 “(B) LOANS DESCRIBED.—A loan is de-  
7 scribed in this subparagraph if such loan is—

8 “(i) a student loan (as defined in  
9 paragraph (2)), or

10 “(ii) a private education loan (as de-  
11 fined in section 140(7) of the Consumer  
12 Credit Protection Act (15 U.S.C.  
13 1650(7))).”.

14 (c) EFFECTIVE DATE.—The amendments made by this  
15 section shall apply to discharges of indebtedness after  
16 December 31, 2024.

17 SEC. 110020. 529 ACCOUNT FUNDING FOR HOMESCHOOL  
18 AND ADDITIONAL ELEMENTARY AND SEC-  
19 ONDARY EXPENSES.

20 (a) IN GENERAL.—Section 529(c)(7) of the Internal  
21 Revenue Code of 1986 is amended to read as follows:

22 “(7) TREATMENT OF ELEMENTARY AND SEC-  
23 ONDARY TUITION.—Any reference in this section to the  
24 term ‘qualified higher education expense’ shall  
25 include a reference to the following expenses in con-

1        nection with enrollment or attendance at, or for stu-  
2        dents enrolled at or attending, an elementary or sec-  
3        ondary public, private, or religious school:

4                “(A) Tuition.

5                “(B) Curriculum and curricular materials.

6                “(C) Books or other instructional mate-  
7        rials.

8                “(D) Online educational materials.

9                “(E) Tuition for tutoring or educational  
10       classes outside of the home, including at a tu-  
11       toring facility, but only if the tutor or instruc-  
12       tor is not related to the student and—

13                “(i) is licensed as a teacher in any  
14       State,

15                “(ii) has taught at an eligible edu-  
16       cational institution, or

17                “(iii) is a subject matter expert in the  
18       relevant subject.

19                “(F) Fees for a nationally standardized  
20       norm-referenced achievement test, an advanced  
21       placement examination, or any examinations re-  
22       lated to college or university admission.

23                “(G) Fees for dual enrollment in an insti-  
24       tution of higher education.



1           “(H) Educational therapies for students  
2           with disabilities provided by a licensed or ac-  
3           credited practitioner or provider, including oc-  
4           cupational, behavioral, physical, and speech-lan-  
5           guage therapies.

6           Such term shall include expenses for the purposes  
7           described in subparagraphs (A) through (H) in con-  
8           nection with a homeschool (whether treated as a  
9           homeschool or a private school for purposes of appli-  
10          cable State law).”.

11          (b) EFFECTIVE DATE.—The amendment made by  
12          this section shall apply to distributions made after the  
13          date of the enactment of this Act.

At the appropriate place, insert the following:

14   **SEC. III REPEAL OF DEDUCTION FOR PERSONAL EX-**  
15                                   **EMPTIONS.**

16          (a) IN GENERAL.—Part V of subchapter B of chapter  
17          1 is hereby repealed.

18          (b) DEFINITION OF DEPENDENT RETAINED.—Sec-  
19          tion 152, prior to the repeal made by subsection (a), is  
20          hereby redesignated as section 7706 and moved to the end  
21          of chapter 79.

22          (c) APPLICATION TO TRUSTS AND ESTATES.—Sec-  
23          tion 642(b) is amended—

24                               (1) in paragraph (2)(C)—

1 (A) in clause (i), by striking “the exemp-  
2 tion amount under section 151(d)” and all that  
3 follows through the period at the end and in-  
4 serting “the dollar amount in effect under sec-  
5 tion 7706(d)(1)(B).”, and

6 (B) by striking clause (iii),

7 (2) by striking paragraph (3), and

8 (3) by striking “DEDUCTION FOR PERSONAL  
9 EXEMPTION” in the heading thereof and inserting  
10 “BASIC DEDUCTION”.

11 (d) APPLICATION TO NONRESIDENT ALIENS.—Sec-  
12 tion 873(b) is amended by striking paragraph (3).

13 (e) MODIFICATION OF RETURN REQUIREMENT.—

14 (1) IN GENERAL.—Section 6012(a)(1) is  
15 amended to read as follows:

16 “(1) Every individual who has gross income for  
17 the taxable year, except that a return shall not be  
18 required of—

19 “(A) an individual who is not married (de-  
20 termined by applying section 7703) and who  
21 has gross income for the taxable year which  
22 does not exceed the standard deduction applica-  
23 ble to such individual for such taxable year  
24 under section 63, or

1           “(B) an individual entitled to make a joint  
2           return if—

3                   “(i) the gross income of such indi-  
4                   vidual, when combined with the gross in-  
5                   come of such individual’s spouse, for the  
6                   taxable year does not exceed the standard  
7                   deduction which would be applicable for  
8                   such taxable year under section 63 if such  
9                   individual and such individual’s spouse  
10                  made a joint return,

11                   “(ii) such individual’s spouse does not  
12                  make a separate return, and

13                   “(iii) neither such individual nor such  
14                   individual’s spouse is an individual de-  
15                   scribed in section 63(c)(4) who has income  
16                   (other than earned income) in excess of the  
17                   amount in effect under section  
18                   63(c)(4)(A).”.

19           (2)       BANKRUPTCY       ESTATES.—Section  
20           6012(a)(8) is amended by striking “the sum of the  
21           exemption amount plus the basic standard deduction  
22           under section 63(c)(2)(C)” and inserting “the stand-  
23           ard deduction in effect under section 63(c)(1)(B)”.

24           (3)       CONFORMING AMENDMENT.—Section 6012  
25           is amended by striking subsection (f).

1 (f) CONFORMING AMENDMENTS.—

2 (1) Section 1(g)(5)(A) is amended by striking  
3 “section 152(e)” and inserting “section 7706(e)”.

4 (2) Section 2(a)(1)(B) is amended—

5 (A) by striking “section 152” and insert-  
6 ing “section 7706”, and

7 (B) by striking “with respect to whom the  
8 taxpayer is entitled to a deduction for the tax-  
9 able year under section 151” and inserting  
10 “whose TIN is included on the taxpayer’s re-  
11 turn of tax for the taxable year”.

12 (3) Section 2(b)(1)(A)(i) is amended—

13 (A) in the matter preceding subclause  
14 (I)—

15 (i) by striking “section 152(c)” and  
16 inserting “section 7706(c)”, and

17 (ii) by striking “section 152(e)” and  
18 inserting “section 7706(e)”, and

19 (B) in subclause (II), by striking “section  
20 152(b)(2) or 152(b)(3)” and inserting “section  
21 7706(b)(2) or 7706(b)(3)”.

22 (4) Section 2(b)(1)(A)(ii) is amended by strik-  
23 ing “if the taxpayer is entitled to a deduction for the  
24 taxable year for such person under section 151” and

1 inserting “if the taxpayer included such person’s  
2 TIN on the return of tax for the taxable year”.

3 (5) Section 2(b)(1)(B) is amended by striking  
4 “if the taxpayer is entitled to a deduction for the  
5 taxable year for such father or mother under section  
6 151” and inserting “if such father or mother is a  
7 dependent of the taxpayer and the taxpayer included  
8 such father or mother’s TIN on the return of tax for  
9 the taxable year”.

10 (6) Section 2(b)(3)(B) is amended—

11 (A) by striking “section 152(d)(2)” in  
12 clause (i) and inserting “section 7706(d)(2)”,  
13 and

14 (B) by striking “section 152(d)” in clause  
15 (ii) and inserting “section 7706(d)”.

16 (7) Section 21(b)(1)(A) is amended by striking  
17 “section 152(a)(1)” and inserting “section  
18 7706(a)(1)”.

19 (8) Section 21(b)(1)(B) is amended by striking  
20 “section 152” and inserting “section 7706”.

21 (9) Section 21(e)(5)(A) is amended by striking  
22 “section 152(e)” and inserting “section 7706(e)”.

23 (10) Section 21(e)(5) is amended by striking  
24 “section 152(e)(4)(A)” in the matter following sub-

1 paragraph (B) and inserting “section  
2 7706(e)(4)(A)”.

3 (11) Section 21(e)(6)(A) is amended to read as  
4 follows:

5 “(A) who is a dependent of either the tax-  
6 payer or the taxpayer’s spouse for the taxable  
7 year, or”.

8 (12) Section 21(e)(6)(B) is amended by striking  
9 “section 152(f)(1)” and inserting “section  
10 7706(f)(1)”.

11 (13) Section 25A(f)(1)(A)(iii) is amended by  
12 striking “with respect to whom the taxpayer is al-  
13 lowed a deduction under section 151”.

14 (14) Section 25A(g)(3) is amended by striking  
15 “If a deduction under section 151 with respect to an  
16 individual is allowed to another taxpayer” and in-  
17 serting “If an individual is a dependent of another  
18 taxpayer”.

19 (15) Section 25B(c)(2)(A) is amended by strik-  
20 ing “any individual with respect to whom a deduc-  
21 tion under section 151 is allowed to another tax-  
22 payer” and inserting “any individual who is a de-  
23 pendent of another taxpayer”.

1           (16) Section 25B(c)(2)(B) is amended by strik-  
2           ing “section 152(f)(2)” and inserting “section  
3           7706(f)(2)”.

4           (17) Section 32(c)(1)(A)(ii)(III) is amended by  
5           striking “a dependent for whom a deduction is al-  
6           lowable under section 151 to another taxpayer” and  
7           inserting “a dependent of another taxpayer”.

8           (18) Section 32(c)(3) is amended—

9           (A) in subparagraph (A)—

10                   (i) by striking “section 152(c)” and  
11                   inserting “section 7706(c)”, and

12                   (ii) by striking “section 152(e)” and  
13                   inserting “section 7706(e)”,

14           (B) in subparagraph (B), by striking “un-  
15           less the taxpayer is entitled to a deduction  
16           under section 151 for such taxable year with re-  
17           spect to such individual (or would be so entitled  
18           but for section 152(e)” and inserting “if such  
19           individual is not treated as a dependent of such  
20           taxpayer for such taxable year by reason of sec-  
21           tion 7706(b)(2) (determined without regard to  
22           section 7706(e))”, and

23           (C) in subparagraph (C), by striking “sec-  
24           tion 152(c)(1)(B)” and inserting “section  
25           7706(c)(1)(B)”.

1           (19) Section 35(d)(1)(B) is amended by strik-  
2           ing “with respect to whom the taxpayer is entitled  
3           to a deduction under section 151(c)” and inserting  
4           “if the taxpayer included such person’s TIN on the  
5           return of tax for the taxable year”.

6           (20) Section 35(d)(2) is amended—

7                   (A) by striking “section 152(e)” and in-  
8                   serting “section 7706(e)”, and

9                   (B) by striking “section 152(e)(4)(A)” and  
10                  inserting “section 7706(e)(4)(A)”.

11           (21) Section 36B(b)(2)(A) is amended by strik-  
12           ing “section 152” and inserting “section 7706”.

13           (22) Section 36B(b)(3)(B) is amended—

14                   (A) in clause (ii)(I)(aa), by striking “who  
15                   is not allowed a deduction under section 151 for  
16                   the taxable year with respect to a dependent”  
17                   and inserting “who does not have any depend-  
18                   ents for the taxable year”, and

19                   (B) in the flush matter at the end, by  
20                   striking “unless a deduction is allowed under  
21                   section 151 for the taxable year with respect to  
22                   a dependent” and inserting “unless the tax-  
23                   payer has a dependent for the taxable year (and  
24                   the taxpayer included such dependent’s TIN on  
25                   the return of tax for the taxable year)”.



1           (23) Section 36B(c)(1)(D) is amended by strik-  
2           ing “with respect to whom a deduction under section  
3           151 is allowable to another taxpayer” and inserting  
4           “who is a dependent of another taxpayer”.

5           (24) Section 36B(d)(1) is amended by striking  
6           “equal to the number of individuals for whom the  
7           taxpayer is allowed a deduction under section 151  
8           (relating to allowance of deduction for personal ex-  
9           emptions) for the taxable year” and inserting “the  
10          sum of 1 (2 in the case of a joint return) plus the  
11          number of individuals who are dependents of the  
12          taxpayer for the taxable year”.

13          (25) Section 36B(e)(1) is amended by striking  
14          “1 or more individuals for whom a taxpayer is al-  
15          lowed a deduction under section 151 (relating to al-  
16          lowance of deduction for personal exemptions) for  
17          the taxable year (including the taxpayer or his  
18          spouse)” and inserting “1 or more of the taxpayer,  
19          the taxpayer’s spouse, or any dependent of the tax-  
20          payer”.

21          (26) Section 42(i)(3)(D)(ii)(I) is amended by  
22          striking “section 152” and inserting “section 7706”.

23          (27) Section 45R(e)(1)(A)(iv) is amended—  
24                  (A) by striking “section 152(d)(2)” and in-  
25          serting “section 7706(d)(2)”, and

1 (B) by striking “section 152(d)(2)(H)” and  
2 inserting “section 7706(d)(2)(H)”.

3 (28) Section 51(i)(1) is amended—

4 (A) by striking “section 152(d)(2)” in sub-  
5 paragraphs (A) and (B) and inserting “section  
6 7706(d)(2)”, and

7 (B) by striking “section 152(d)(2)(H)” in  
8 subparagraph (C) and inserting “section  
9 7706(d)(2)(H)”.

10 (29) Section 56(b)(1)(D) is amended—

11 (A) by striking “, the deduction for per-  
12 sonal exemptions under section 151,” and

13 (B) by striking “AND DEDUCTION FOR  
14 PERSONAL EXEMPTIONS” in the heading there- of.

15 (30) Section 63(b) is amended by adding “and”  
16 at the end of paragraph (1), by striking paragraph  
17 (2), and by redesignating paragraph (3) as para-  
18 graph (2).

19 (31) Section 63(c), as amended by section 121,  
20 is amended by striking paragraph (3) and redesign-  
21 ating paragraphs (4), (5), and (6) as paragraphs  
22 (3), (4), and (5), respectively.

23

24 (32) Section 63(c)(4), as redesignated, is  
25 amended—

1 (A) by striking “with respect to whom a  
2 deduction under section 151 is allowable to”  
3 and inserting “who is a dependent of”, and

4 (B) by striking “CERTAIN” in the heading  
5 thereof.

6 (33) Section 63(f) is amended by striking all  
7 that precedes paragraph (3) and inserting the fol-  
8 lowing:

9 “(f) ADDITIONAL STANDARD DEDUCTION FOR THE  
10 AGED AND BLIND.—

11 “(1) IN GENERAL.—For purposes of subsection  
12 (c)(1), the additional standard deduction is, with re-  
13 spect to a taxpayer for a taxable year, the sum of—

14 “(A) \$600 if the taxpayer has attained age  
15 65 before the close of such taxable year, and

16 “(B) \$600 if the taxpayer is blind as of  
17 the close of such taxable year.

18 “(2) APPLICATION TO MARRIED INDIVID-  
19 UALS.—

20 “(A) JOINT RETURNS.—In the case of a joint  
21 return, paragraph (1) shall be applied sep-  
22 arately with respect to each spouse.

23 “(B) CERTAIN MARRIED INDIVIDUALS FIL-  
24 ING SEPARATELY.—In the case of a married in-  
25 dividual filing a separate return, if—

1                   “(i) the spouse of such individual has  
2                   no gross income for the calendar year in  
3                   which the taxable year of such individual  
4                   begins,

5                   “(ii) such spouse is not the dependent  
6                   of another taxpayer for a taxable year be-  
7                   ginning in the calendar year in which such  
8                   individual’s taxable year begins, and

9                   “(iii) the TIN of such spouse is in-  
10                  cluded on such individual’s return of tax  
11                  for the taxable year,

12                  the additional standard deduction shall be de-  
13                  termined in the same manner as if such indi-  
14                  vidual and such individual’s spouse filed a joint  
15                  return.”.

16                  (34) Section 63(f)(3) is amended by striking  
17                  “paragraphs (1) and (2)” and inserting “subpara-  
18                  graphs (A) and (B) of paragraph (1)”.

19                  (35) Section 72(t)(2)(D)(i)(III) is amended by  
20                  striking “section 152” and inserting “section 7706”.

21                  (36) Section 72(t)(7)(A)(iii) is amended by  
22                  striking “section 152(f)(1)” and inserting “section  
23                  7706(f)(1)”.

24                  (37) Section 105(b) is amended—

1 (A) by striking “as defined in section 152”  
2 and inserting “as defined in section 7706”,

3 (B) by striking “section 152(f)(1)” and in-  
4 serting “section 7706(f)(1)”, and

5 (C) by striking “section 152(e)” and in-  
6 serting “section 7706(e)”.

7 (38) Section 105(c)(1) is amended by striking  
8 “section 152” and inserting “section 7706”.

9 (39) Section 125(e)(1)(D) is amended by strik-  
10 ing “section 152” and inserting “section 7706”.

11 (40) Section 129(c)(1) is amended to read as  
12 follows:

13 “(1) who is a dependent of such employee or of  
14 such employee’s spouse, or”.

15 (41) Section 129(c)(2) is amended by striking  
16 “section 152(f)(1)” and inserting “section  
17 7706(f)(1)”.

18 (42) Section 132(h)(2)(B) is amended—

19 (A) by striking “section 152(f)(1)” and in-  
20 serting “section 7706(f)(1)”, and

21 (B) by striking “section 152(e)” and in-  
22 serting “section 7706(e)”.

23 (43) Section 139D(c)(5) is amended by striking  
24 “section 152” and inserting “section 7706”.

1           (44) Section 139E(c)(2) is amended by striking  
2           “section 152” and inserting “section 7706”.

3           (45) Section 162(l)(1)(D) is amended by strik-  
4           ing “section 152(f)(1)” and inserting “section  
5           7706(f)(1)”.

6           (46) Section 170(g)(1) is amended by striking  
7           “section 152” and inserting “section 7706”.

8           (47) Section 170(g)(3) is amended by striking  
9           “section 152(d)(2)” and inserting “section  
10          7706(d)(2)”.

11          (48) Section 172(d) is amended by striking  
12          paragraph (3).

13          (49) Section 213(a) is amended by striking  
14          “section 152” and inserting “section 7706”.

15          (50) Section 213(d)(5) is amended by striking  
16          “section 152(e)” and inserting “section 7706(e)”.

17          (51) Section 213(d)(11) is amended by striking  
18          “section 152(d)(2)” in the matter following subpara-  
19          graph (B) and inserting “section 7706(d)(2)”.

20          (52) Section 220(b)(6) is amended by striking  
21          “with respect to whom a deduction under section  
22          151 is allowable to” and inserting “who is a depend-  
23          ent of”.

24          (53) Section 220(d)(2)(A) is amended by strik-  
25          ing “section 152” and inserting “section 7706”.

1           (54) Section 221(d)(4) is amended by striking  
2           “section 152” and inserting “section 7706”.

3           (55) Section 223(b)(6) is amended by striking  
4           “with respect to whom a deduction under section  
5           151 is allowable to” and inserting “who is a depend-  
6           ent of”.

7           (56) Section 223(d)(2)(A) is amended by strik-  
8           ing “section 152” and inserting “section 7706”.

9           (57) Section 401(h) is amended by striking  
10          “section 152(f)(1)” in the last sentence and insert-  
11          ing “section 7706(f)(1)”.

12          (58) Section 402(l)(4)(D) is amended by strik-  
13          ing “section 152” and inserting “section 7706”.

14          (59) Section 409A(a)(2)(B)(ii)(I) is amended  
15          by striking “section 152(a)” and inserting “section  
16          7706(a)”.

17          (60) Section 441(f)(2)(B)(iii) is amended by  
18          striking “, but only the adjusted amount of the de-  
19          ductions for personal exemptions as described in sec-  
20          tion 443(c)”.

21          (61) Section 443 is amended—

22                  (A) in subsection (b)—

23                          (i) by striking paragraph (3), and

1 (ii) by striking “modified taxable in-  
2 come” and inserting “taxable income” each  
3 place such term appears,

4 (B) by striking subsection (c), and  
5 (C) by redesignating subsections (d) and  
6 (e) as subsections (c) and (d), respectively.

7 (62) Section 501(c)(9) is amended by striking  
8 “section 152(f)(1)” and inserting “section  
9 7706(f)(1)”.

10 (63) Section 529(e)(2)(B) is amended by strik-  
11 ing “section 152(d)(2)” and inserting “section  
12 7706(d)(2)”.

13 (64) Section 529A(e)(4) is amended—

14 (A) by striking “section 152(d)(2)(B)” and  
15 inserting “section 7706(d)(2)(B)”, and

16 (B) by striking “section 152(f)(1)(B)” and  
17 inserting “section 7706(f)(1)(B)”.

18 (65) Section 643(a)(2) is amended—

19 (A) by striking “(relating to deduction for  
20 personal exemptions)” and inserting “(relating  
21 to basic deduction)”, and

22 (B) by striking “DEDUCTION FOR PER-  
23 SONAL EXEMPTION” in the heading thereof and  
24 inserting “BASIC DEDUCTION”.



1           (66) Section 703(a)(2) is amended by striking  
2           subparagraph (A) and by redesignating subpara-  
3           graphs (B) through (F) as subparagraphs (A)  
4           through (E), respectively.

5           (67) Section 874 is amended by striking sub-  
6           section (b) and by redesignating subsection (c) as  
7           subsection (b).

8           (68) Section 891 is amended by striking “under  
9           section 151 and”.

10          (69) Section 904(b)(1) is amended to read as  
11          follows:

12               “(1) DEDUCTION FOR ESTATES AND TRUSTS.—  
13          For purposes of subsection (a), the taxable income  
14          of an estate or trust shall be computed without any  
15          deduction under section 642(b).”.

16          (70) Section 931(b)(1) is amended to read as  
17          follows:

18               “(1) any deduction from gross income, or”.

19          (71) Section 933 is amended—

20               (A) by striking “as a deduction from his  
21          gross income any deductions (other than the de-  
22          duction under section 151, relating to personal  
23          exemptions)” in paragraph (1) and inserting  
24          “any deduction from gross income”, and

1 (B) by striking “as a deduction from his  
2 gross income any deductions (other than the de-  
3 duction for personal exemptions under section  
4 151)” in paragraph (2) and inserting “any de-  
5 duction from gross income”.

6 (72) Section 1212(b)(2)(B)(ii) is amended to  
7 read as follows:

8 “(ii) in the case of an estate or trust,  
9 the deduction allowed for such year under  
10 section 642(b).”.

11 (73) Section 1361(c)(1)(C) is amended by strik-  
12 ing “section 152(f)(1)(C)” and inserting “section  
13 7706(f)(1)(C)”.

14 (74) Section 1402(a) is amended by striking  
15 paragraph (7).

16 (75) Section 2032A(c)(7)(D) is amended by  
17 striking “section 152(f)(2)” and inserting “section  
18 7706(f)(2)”.

19 (76) Section 3402(f)(1)(A) is amended by strik-  
20 ing “for whom a deduction is allowable with respect  
21 to another taxpayer under section 151” and insert-  
22 ing “who is a dependent of another taxpayer”.

23 (77) Section 3402(m)(1) is amended by striking  
24 “other than the deductions referred to in section  
25 151 and”.

1           (78) Section 3402(m)(3) is amended by striking  
2           “section 63(c)(3)” and inserting “section 63(f)”.

3           (79) Section 3402(r)(2) is amended by striking  
4           “the sum of—” and all that follows and inserting  
5           “the basic standard deduction (as defined in section  
6           63(c)) for an individual to whom section 63(c)(2)(C)  
7           applies.”.

8           (80) Section 5000A(b)(3)(A) is amended by  
9           striking “section 152” and inserting “section 7706”.

10          (81) Section 5000A(c)(4)(A) is amended by  
11          striking “the number of individuals for whom the  
12          taxpayer is allowed a deduction under section 151  
13          (relating to allowance of deduction for personal ex-  
14          emptions) for the taxable year” and inserting “the  
15          sum of 1 (2 in the case of a joint return) plus the  
16          number of the taxpayer’s dependents for the taxable  
17          year”.

18          (82) Section 6013(b)(3)(A) is amended—

19                 (A) by striking “had less than the exemp-  
20                 tion amount of gross income” in clause (ii) and  
21                 inserting “had no gross income”,

22                 (B) by striking “had gross income of the  
23                 exemption amount or more” in clause (iii) and  
24                 inserting “had any gross income”, and

1 (C) by striking the flush language fol-  
2 lowing clause (iii).

3 (83) Section 6014(a) is amended by striking  
4 “section 6012(a)(1)(C)(i)” and inserting “section  
5 6012(a)(1)(B)(iii)”.

6 (84) Section 6014(b)(4) is amended by striking  
7 “63(c)(5)” and inserting “63(c)(4)”.

8 (85) Section 6103(l)(13) is amended—

9 (A) in subparagraph (A), by striking  
10 clause (iv) and redesignating clauses (v) and  
11 (vi) as clauses (iv) and (v), respectively, and

12 (B) in subparagraph (C)(i), by striking  
13 “clauses (i) through (iv)” and inserting  
14 “clauses (i) through (iii)”.

15 (86) Section 6103(l)(21)(A)(iii) is amended to  
16 read as follows:

17 “(iii) the number of the taxpayer’s de-  
18 pendents,”.

19 (87) Section 6213(g)(2)(H) is amended by  
20 striking “section 21 (relating to expenses for house-  
21 hold and dependent care services necessary for gain-  
22 ful employment) or section 151 (relating to allow-  
23 ance of deductions for personal exemptions)” and in-  
24 serting “subsection (a)(1)(B), (b)(1)(A)(ii), or

1 (b)(1)(B) of section 2 or section 21, 35(d)(1)(B),  
2 36B(b)(3)(B), or 63(f)(2)(B)”.

3 (88) Section 6334(d) is amended—

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

6 “(2) EXEMPT AMOUNT.—

7 “(A) IN GENERAL.—For purposes of para-  
8 graph (1), the term ‘exempt amount’ means an  
9 amount equal to—

10 “(i) the sum of the amount deter-  
11 mined under subparagraph (B) and the  
12 standard deduction, divided by

13 “(ii) 52.

14 “(B) AMOUNT DETERMINED.—For pur-  
15 poses of subparagraph (A), the amount deter-  
16 mined under this subparagraph is—

17 “(i) the dollar amount in effect under  
18 section 7706(d)(1)(B), multiplied by

19 “(ii) the number of the taxpayer’s de-  
20 pendants for the taxable year in which the  
21 levy occurs.

22 “(C) VERIFIED STATEMENT.—Unless the  
23 taxpayer submits to the Secretary a written and  
24 properly verified statement specifying the facts  
25 necessary to determine the proper amount

1 under subparagraph (A), subparagraph (A)  
2 shall be applied as if the taxpayer were a mar-  
3 ried individual filing a separate return with no  
4 dependents.”, and

5 (B) by striking paragraph (4).

6 (89) Section 7702B(f)(2)(C)(iii) is amended by  
7 striking “section 152(d)(2)” and inserting “section  
8 7706(d)(2)”.

9 (90) Section 7703(a) is amended by striking  
10 “part V of subchapter B of chapter 1 and”.

11 (91) Section 7703(b)(1) is amended by striking  
12 “section 152(f)(1))” and all that follows and insert-  
13 ing “section 7706(f)(1)) who is a dependent of such  
14 individual for the taxable year (or would be but for  
15 section 7706(e)),”.

16 (92) Section 7706(a), as redesignated by this  
17 section, is amended by striking “this subtitle” and  
18 inserting “this title”.

19 (93)(A) Section 7706(d)(1)(B), as redesignated  
20 by this section, is amended by striking “the exemp-  
21 tion amount (as defined in section 151(d))” and in-  
22 serting “\$4,150”.

23 (B) Section 7706(d), as redesignated by this  
24 section, is amended by adding at the end the fol-  
25 lowing new paragraph:

1           “(6) INFLATION ADJUSTMENT.—The \$4,150  
2           amount in paragraph (1)(B) shall be increased by an  
3           amount equal to—

4                   “(A) such dollar amount, multiplied by  
5                   “(B) the cost-of-living adjustment deter-  
6                   mined under section 1(f)(3) for the calendar  
7                   year in which such taxable year begins, deter-  
8                   mined by substituting ‘calendar year 2017’ for  
9                   ‘calendar year 2016’ in subparagraph (A)(ii)  
10           thereof.

11           If any increase determined under the preceding sen-  
12           tence is not a multiple of \$50, such increase shall be  
13           rounded to the next lowest multiple of \$50.”.

14           (94) Section 7706(e)(3), as redesignated by this  
15           section, is amended by inserting “(as in effect before  
16           its repeal)” after “section 151”.

17           (95) Section 7706(f)(6)(B), as redesignated by  
18           this section, is amended by striking clause (i) and  
19           designating clauses (ii), (iii), and (iv) as clauses (i),  
20           (ii), and (iii), respectively.

21           (96) The table of parts for subchapter B of  
22           chapter 1 is amended by striking the item relating  
23           to part V.

1           (97) The table of sections for chapter 79 is  
2       amended by adding at the end the following new  
3       item:

“Sec. 7706. Dependent defined.”.

4       (g) **EFFECTIVE DATE.**—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 the date of the enactment of this Act.

Strike section 70108 and insert the following:

7 **SEC. 70108. LIMITATION ON DEDUCTION FOR QUALIFIED**  
8 **RESIDENCE INTEREST.**

9       (a) **INTEREST ON HOME EQUITY INDEBTEDNESS.**—  
10 Section 163(h)(3)(A) is amended by striking “during the  
11 taxable year on” and all that follows through “residence  
12 of the taxpayer.” and inserting “during the taxable year  
13 on acquisition indebtedness with respect to any qualified  
14 residence of the taxpayer.”.

15       (b) **LIMITATION ON ACQUISITION INDEBTEDNESS.**—  
16 Section 163(h)(3)(B)(ii) is amended to read as follows:  
17                   “(ii) **LIMITATION.**—The aggregate  
18                   amount treated as acquisition indebtedness  
19                   for any period shall not exceed the excess  
20                   (if any) of—

21                               “(I) \$750,000 (\$375,000, in the  
22                               case of a married individual filing a  
23                               separate return), over



1                   “(II) the sum of the aggregate  
2                   outstanding pre-October 13, 1987, in-  
3                   debtedness (as defined in subpara-  
4                   graph (D)) plus the aggregate out-  
5                   standing pre-December 15, 2017, in-  
6                   debtedness (as defined in subpara-  
7                   graph (C)).”.

8           (c) TREATMENT OF INDEBTEDNESS INCURRED ON  
9 OR BEFORE DECEMBER 15, 2017.—Section 163(h)(3)(C)  
10 is amended to read as follows:

11                   “(C) TREATMENT OF INDEBTEDNESS IN-  
12                   CURRED ON OR BEFORE DECEMBER 15, 2017.—

13                   “(i) IN GENERAL.—In the case of any  
14                   pre-December 15, 2017, indebtedness, sub-  
15                   paragraph (B)(ii) shall not apply and the  
16                   aggregate amount of such indebtedness  
17                   treated as acquisition indebtedness for any  
18                   period shall not exceed the excess (if any)  
19                   of—

20                   “(I) \$450,000 (\$225,000, in the  
21                   case of a married individual filing a  
22                   separate return), over

23                   “(II) the aggregate outstanding  
24                   pre-October 13, 1987, indebtedness  
25                   (as defined in subparagraph (D)).

1                   “(ii) PRE-DECEMBER 15, 2017, IN-  
2                   DEBTEDNESS.—For purposes of this sub-  
3                   paragraph—

4                   “(I) IN GENERAL.—The term  
5                   ‘pre-December 15, 2017, indebted-  
6                   ness’ means indebtedness (other than  
7                   pre-October 13, 1987, indebtedness)  
8                   incurred on or before December 15,  
9                   2017.

10                  “(II) BINDING WRITTEN CON-  
11                  TRACT EXCEPTION.—In the case of a  
12                  taxpayer who enters into a written  
13                  binding contract before December 15,  
14                  2017, to close on the purchase of a  
15                  principal residence before January 1,  
16                  2018, and who purchases such resi-  
17                  dence before April 1, 2018, the term  
18                  ‘pre-December 15, 2017, indebted-  
19                  ness’ shall include indebtedness se-  
20                  cured by such residence.

21                  “(iii) REFINANCING INDEBTED-  
22                  NESS.—

23                  “(I) IN GENERAL.—In the case  
24                  of any indebtedness which is incurred  
25                  to refinance indebtedness, such refi-

1           nanced indebtedness shall be treated  
2           for purposes of this subparagraph as  
3           incurred on the date that the original  
4           indebtedness was incurred to the ex-  
5           tent the amount of the indebtedness  
6           resulting from such refinancing does  
7           not exceed the amount of the refi-  
8           nanced indebtedness.

9                       “(II) LIMITATION ON PERIOD OF  
10           REFINANCING.—Subclause (I) shall  
11           not apply to any indebtedness after  
12           the expiration of the term of the origi-  
13           nal indebtedness or, if the principal of  
14           such original indebtedness is not am-  
15           ortized over its term, the expiration of  
16           the term of the 1st refinancing of such  
17           indebtedness (or if earlier, the date  
18           which is 30 years after the date of  
19           such 1st refinancing).”.

20           (d) COORDINATION WITH TREATMENT OF INDEBT-  
21           EDNESS INCURRED ON OR BEFORE OCTOBER 13, 1987.—

22           Section 163(h)(3)(D) is amended—

23                       (1) by striking clause (ii) and redesignating  
24           clauses (iii) and (iv) as clauses (ii) and (iii), respec-  
25           tively, and

1 (2) in clause (iii) (as so redesignated)—

2 (A) by striking “clause (iii)” in the matter  
3 preceding subclause (I) and inserting “clause  
4 (ii)”, and

5 (B) by striking “clause (iii)(I)” in sub-  
6 clauses (I) and (II) and inserting “clause  
7 (ii)(I)”.

8 (e) COORDINATION WITH EXCLUSION OF INCOME  
9 FROM DISCHARGE OF INDEBTEDNESS.—Section  
10 108(h)(2) is amended by striking “applied by substituting  
11 ‘\$750,000 (\$375,000’ for ‘\$450,000 (\$225,000’ in clause  
12 (ii) thereof and”.

13 (f) CONFORMING AMENDMENT.—Section 163(h)(3)  
14 is amended by striking subparagraph (F).

15 (g) EFFECTIVE DATE.—The amendments made by this  
16 section shall apply to taxable years beginning after the  
17 date of the enactment of this Act.

Strike section 70109 and insert the following:

18 **SEC. 70109. HIGH INCOME INDIVIDUALS LIMITED TO PER-**  
19 **SONAL CASUALTY LOSSES ATTRIBUTABLE TO**  
20 **FEDERALLY DECLARED DISASTERS.**

21 (a) LIMITATION APPLICABLE TO HIGH INCOME INDIV-  
22 IDUALS.—Section 165(h)(5)(A) is amended by inserting  
23 “if the taxpayer’s modified adjusted gross income for any  
24 taxable year exceeds \$450,000 (\$225,000 in the case of

1 a married individual filing a separate return),” after “In  
2 the case of an individual,”.

3 (b) MADE PERMANENT.—Section 165(h)(5)(A) is  
4 amended by striking “in a taxable year beginning after  
5 December 31, 2017, and before January 1, 2026,” and  
6 inserting “for such taxable year”.

7 (c) MODIFIED ADJUSTED GROSS INCOME.—Section  
8 165(h)(5) is amended by adding at the end the following  
9 new subparagraph:

10 “(C) MODIFIED ADJUSTED GROSS IN-  
11 COME.—For purposes of this paragraph, the  
12 term ‘modified adjusted gross income’ means  
13 the adjusted gross income of the taxpayer for  
14 the taxable year increased by any amount ex-  
15 cluded from gross income under section 911,  
16 931, or 933.”.

17 (d) CONFORMING AMENDMENTS.—

18 (1) Section 165(h)(4)(C) is amended by strik-  
19 ing “paragraph (2)” and inserting “paragraphs (2)  
20 and (5)”.

21 (2) Section 165(h)(5) is amended by striking  
22 “LIMITATION FOR TAXABLE YEARS 2018 THROUGH  
23 2025” in the heading thereof and inserting “HIGH  
24 INCOME INDIVIDUALS LIMITED TO LOSSES ATTRIB-  
25 UTABLE TO FEDERALLY DECLARED DISASTERS”.

1       (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to losses sustained in taxable years  
3 beginning after December 31, 2025.

Strike section 70110 and insert the following:

4   **SEC. 70110. MISCELLANEOUS ITEMIZED DEDUCTIONS SUB-**  
5                   **JECT TO 2 PERCENT FLOOR OR DISALLOWED**  
6                   **FOR HIGH INCOME INDIVIDUALS.**

7       (a) IN GENERAL.—Section 67 is amended—

8           (1) by amending subsection (a) to read as fol-  
9       lows:

10       “(a) IN GENERAL.—In the case of an individual— “(1)  
11           if the taxpayer’s adjusted gross income for  
12       any taxable year exceeds \$450,000 (\$225,000 in the  
13       case of a married individual filing a separate re-  
14       turn), miscellaneous itemized deductions shall not be  
15       allowed for such taxable year, and

16           “(2) if paragraph (1) does not apply to the tax-  
17       payer for the taxable year, the miscellaneous  
18       itemized deductions for such taxable year shall be al-  
19       lowed only to the extent that the aggregate of such  
20       deductions exceeds 2 percent of adjusted gross in-  
21       come.”, and

22           (2) by striking subsection (g).

23       (b) CONFORMING AMENDMENTS.—

1           (1) Section 67 is amended in the heading, by  
2           striking “2-PERCENT FLOOR ON” and inserting  
3           “LIMITATION ON”.

4           (2) The table of sections for part 1 of sub-  
5           chapter B of chapter 1 is amended by striking the  
6           item relating to section 67 and inserting the fol-  
7           lowing new item:

          “Sec. 67. Limitation on miscellaneous itemized deductions.”.

8           (c) EFFECTIVE DATE.—The amendments made by  
9           this section shall apply to taxable years beginning after  
10          December 31, 2025.

          Strike section 70111 and insert the following:

11       SEC. 70111. OVERALL LIMITATION ON ITEMIZED DEDUC-  
12                               TIONS APPLICABLE TO HIGH INCOME INDI-  
13                               VIDUALS.

14          (a) LIMITATION TO HIGH INCOME INDIVIDUALS.—  
15       Section 68(b) is amended to read as follows:

16          “(b) APPLICABLE AMOUNT.—For purposes of this  
17       section, the term ‘applicable amount’ means—

18               “(1) in the case of any taxpayer not described  
19               in paragraph (2), \$450,000, and

20               “(2) in the case of a married individual filing  
21               a separate return, \$500,000.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2025.

Strike section 70112 and insert the following:

4 SEC. 70112. QUALIFIED BICYCLE COMMUTING REIM-  
5 BURSEMENT EXCLUSION NOT ALLOWED TO  
6 HIGH INCOME EMPLOYEES.

7 (a) IN GENERAL.—Section 132(f)(8) is amended to  
8 read as follows:

9 “(8) QUALIFIED BICYCLE COMMUTING REIM-  
10 BURSEMENT EXCLUSION NOT ALLOWED TO HIGH IN-  
11 COME EMPLOYEES.—

12 “(A) IN GENERAL.—In the case of an em-  
13 ployee whose modified adjusted gross income  
14 exceeds \$450,000 (\$225,000 in the case of a  
15 married individual filing a separate return) for  
16 any taxable year, paragraph (1)(D) shall not  
17 apply to such taxable year.

18 “(B) MODIFIED ADJUSTED GROSS IN-  
19 COME.—For purposes of this paragraph, the  
20 term ‘modified adjusted gross income’ means  
21 the adjusted gross income of the taxpayer for  
22 the taxable year increased by any amount ex-  
23 cluded from gross income under section 911,  
24 931, or 933.”.



1 (b) CONFORMING AMENDMENT.—Section 274(l)(2) is  
2 amended by striking “after December 31, 2017, and be-  
3 fore January 1, 2026” and insert “with respect to an em-  
4 ployee to which section 132(f)(1)(D) does not apply”.

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2025.

Strike section 70113 and insert the following sec-  
tions:

8 SEC. 70113. QUALIFIED MOVING EXPENSE REIMBURSE-  
9 MENT EXCLUSION NOT ALLOWED TO HIGH  
10 INCOME EMPLOYEES OTHER THAN CERTAIN  
11 MEMBERS OF THE ARMED FORCES.

12 (a) IN GENERAL.—Section 132(g)(2) is amended to  
13 read as follows:

14 “(2) CERTAIN HIGH INCOME EMPLOYEES INELI-  
15 GIBLE FOR EXCLUSION.—

16 “(A) IN GENERAL.—Subsection (a)(6)  
17 shall not apply in the case of any employee if—

18 “(i) the modified adjusted gross in-  
19 come of such employee for the taxable year  
20 exceeds \$450,000 (\$225,000 in the case of  
21 a married individual filing a separate re-  
22 turn), and

1           “(ii) such employee is not a member  
2           of the Armed Forces of the United State on  
3           active duty who moves pursuant to a  
4           military order and incident to a permanent  
5           change of station.

6           “(B) MODIFIED ADJUSTED GROSS IN-  
7           COME.—For purposes of this paragraph, the  
8           term ‘modified adjusted gross income’ means  
9           the adjusted gross income of the taxpayer for  
10          the taxable year increased by any amount ex-  
11          cluded from gross income under section 911,  
12          931, or 933.”.

13          (b) EFFECTIVE DATE.—The amendment made by this  
14          section shall apply to taxable years beginning after  
15          December 31, 2025.

16   **SEC. 110014. DEDUCTION FOR MOVING EXPENSES NOT AL-**  
17                   **LOWED TO HIGH INCOME EMPLOYEES OTHER**  
18                   **THAN CERTAIN MEMBERS OF THE ARMED**  
19                   **FORCES.**

20          (a) IN GENERAL.—Section 217(k) is amended to  
21          read as follows:

22          “(k) DEDUCTION NOT ALLOWED TO HIGH INCOME  
23          EMPLOYEES OTHER THAN CERTAIN MEMBERS OF THE  
24          ARMED FORCES.—

1           “(1) IN GENERAL.—This section shall not apply  
2           to any individual if—

3                   “(A) the taxpayer’s modified adjusted  
4                   gross income for the taxable year exceeds  
5                   \$450,000 (\$225,000 in the case of a married  
6                   individual filing a separate return), and

7                   “(B) such individual is not a member of the  
8                   Armed Forces of the United State on active duty  
9                   who moves pursuant to a military order  
10                  and incident to a permanent change of station.

11           “(2) MODIFIED ADJUSTED GROSS INCOME.—  
12           For purposes of this subsection, the term ‘modified  
13           adjusted gross income’ means the adjusted gross in-  
14           come of the taxpayer for the taxable year increased  
15           by any amount excluded from gross income under  
16           section 911, 931, or 933.”.

17           (b) EFFECTIVE DATE.—The amendment made by  
18           this section shall apply to taxable years beginning after  
19           December 31, 2025.

          Strike section 70114 and insert the following:

20   **SEC. 70114. LIMITATION ON WAGERING LOSSES.**

21           (a) IN GENERAL.—Section 165(d) is amended by  
22           striking “in the case of taxable years beginning after De-  
23           cember 31, 2017, and before January 1, 2026,”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

Strike section 70107 and insert the following:

4 **SEC. 70107. INCREASED EXEMPTION FOR INDIVIDUALS.**

5 (a) IN GENERAL.—Section 55(d)(1) is amended—

6 (1) by striking “\$78,750” in subparagraph (A)  
7 and inserting “\$109,400”, and

8 (2) by striking “\$50,600” in subparagraph (B)  
9 and inserting “\$70,300”.

10 (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section  
11 55(d)(2) is amended—

12 (1) by striking “\$150,000” in subparagraph  
13 (A) and inserting “\$450,000”, and

14 (2) by striking subparagraphs (B) and (C) and  
15 by inserting the following new subparagraphs:

16 “(B) 50 percent of the dollar amount ap-  
17 plicable under subparagraph (A) in the case of  
18 a taxpayer described in paragraph (1)(B) or  
19 (1)(C), and

20 “(C) \$75,000 in the case of a taxpayer de-  
21 scribed in paragraph (1)(D).”.

22 (c) INFLATION ADJUSTMENT.—Section 55(d)(3) is  
23 amended to read as follows:

1           “(3) INFLATION ADJUSTMENT.—Each dollar  
2           amount described in clause (i) or (ii) of subpara-  
3           graph (B) shall be increased by an amount equal  
4           to—

5                   “(A) such dollar amount, multiplied by

6                   “(B) the cost-of-living adjustment deter-  
7           mined under section 1(f)(3) for the calendar  
8           year in which the taxable year begins, deter-  
9           mined by substituting—

10                   “(i) in the case of a dollar amount  
11           contained in paragraph (1)(D) or (2)(C) or  
12           in subsection (b)(1)(A), ‘calendar year  
13           2011’ for ‘calendar year 2016’ in subpara-  
14           graph (A)(ii) thereof, and

15                   “(ii) in the case of a dollar amount  
16           contained in paragraph (1)(A), (1)(B), or  
17           (2)(A), ‘calendar year 2017’ for ‘calendar  
18           year 2016’ in subparagraph (A)(ii) thereof.

19           Any increased amount determined under this para-  
20           graph shall be rounded to the nearest multiple of  
21           \$100 (\$50 in the case of the dollar amount con-  
22           tained in paragraph (2)(C)).”.

23           (d) REPEAL OF COORDINATION WITH RULES RELAT-  
24   ING TO THE TAXATION OF UNEARNED CHILDREN.—Sec-  
25   tion 59 is amended by striking subsection (j).

1       (e) CONFORMING AMENDMENT.—Section 55(d) is  
2 amended by striking paragraph (4).

3       (f) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 the date of the enactment of this Act.

