Amendment to Rules Committee

Print 115–39

Offered by Ms. Velázquez of New York

At the end of the bill, add the following:

Title VI—Tax Relief for Artists

Sec. 6001. Short Title.

This title may be cited as the “Tax Relief for Artists Act of 2017”.

Sec. 6002. Standard Deduction for the Trade or Business Expenses of Artists.

(a) In General.—Section 162 of the Internal Revenue Code of 1986 is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

“(q) Standard Deduction for Trade or Business Expenses of Artists.—

“(1) In General.—In the case of a qualified taxpayer who elects the application of this subsection for any taxable year, there shall be allowed as a deduction for such taxable year an amount equal to the lesser of—

“(A) $2,500, or

“(B) the taxpayer’s aggregate trade or business expenses for such taxable year.”
“(B) the gross income of the taxpayer derived from one or more artistic trades or businesses carried on by the taxpayer (or, if less, taxable income).

“(2) QUALIFIED TAXPAYER.—For purposes of this subsection, the term ‘qualified taxpayer’ means any taxpayer with respect to any taxable year if—

“(A) the taxpayer’s household income for the taxable year does not exceed 250 percent of the poverty line for a family of the size involved, and

“(B) the taxpayer has gross income derived from one or more artistic trades or businesses carried on by the taxpayer.

“(3) ARTISTIC TRADE OR BUSINESS.—For purposes of this subsection, the term ‘artistic trade or business’ means any trade or business in the literary, graphic design, film, visual, media, musical, theatre, recording, or dance arts.

“(4) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

“(A) DEFINITIONS RELATED TO HOUSEHOLD INCOME.—Terms used in paragraph (2)(A) which are also used in section 36B shall
have the same meaning as when used in such section.

“(B) JOINT RETURNS.—In the case of a joint return, paragraph (1)(A) shall be applied by substituting ‘$5,000’ for ‘$2,500’ if both spouses would be treated as a qualified taxpayer if each spouse filed a separate return.

“(C) DENIAL OF DOUBLE BENEFIT.—If the taxpayer elects the application of this subsection for any taxable year, no deduction (other than the deduction allowed under paragraph (1)) shall be allowable under this chapter to the taxpayer with respect to any amount paid or incurred during such taxable year with respect to any artistic trade or business carried on by the taxpayer.

“(D) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as the Secretary determines to be necessary or appropriate to carry out the purposes of this subsection.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.
SEC. 6003. CORPORATE RATE INCREASE TO ACHIEVE REVENUE NEUTRALITY.

(a) In General.—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after the amendment made by section 3001 (a)) shall be increased by such number of percentage points as is necessary to fully offset the aggregate reduction in Federal revenues which result from amendments and repeals made by section 6002.

(b) Effective Date.—Subsection (a) shall apply as if such provision were an amendment made by section 3001 (a).