

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1619
OFFERED BY MR. THOMAS**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. INCREASE IN LIMITATION ON CAPITAL LOSSES**
2 **APPLICABLE TO INDIVIDUALS.**

3 (a) **IN GENERAL.**—Paragraph (1) of section 1211(b)
4 of the Internal Revenue Code of 1986 (relating to limita-
5 tion on capital losses for taxpayers other than corpora-
6 tions) is amended by striking “\$3,000 (\$1,500” and in-
7 serting “\$8,250 (1/2 such amount”.

8 (b) **ADJUSTMENT FOR INFLATION.**—Section 1211 of
9 such Code (relating to limitation on capital losses) is
10 amended by adding at the end the following new sub-
11 section:

12 “(c) **ADJUSTMENT FOR INFLATION.**—

13 “(1) **IN GENERAL.**—In the case of any taxable
14 year beginning in a calendar year after 2002, the
15 \$8,250 amount contained in subsection (b)(1) shall
16 each be increased by an amount equal to—

17 “(A) such amount, multiplied by

18 “(B) the cost-of-living adjustment deter-
19 mined under section 1(f)(3) for the calendar
20 year in which the taxable year begins by sub-

1 stituting ‘calendar year 2001’ for ‘calendar year
2 1992’ in subparagraph (B) thereof.

3 “(2) ROUNDING.—If any increase determined
4 under paragraph (1) is not a multiple of \$50, such
5 increase shall be rounded to the next highest mul-
6 tiple of \$50.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2001.