

107TH CONGRESS } 2d Session	HOUSE OF REPRESENTATIVES	{ REPORT 107-
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INCREASE IN LIMITATION ON CAPITAL LOSSES
APPLICABLE TO INDIVIDUALS

OCTOBER , 2002.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. THOMAS, from the Committee on Ways and Means,
submitted the following

R E P O R T

together with

____ VIEWS

[To accompany H.R. 1619]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 1619) to amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

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

(a) IN GENERAL.—Paragraph (1) of section 1211(b) of the Internal Revenue Code of 1986 (relating to limitation on capital losses for taxpayers other than corporations) is amended by striking “\$3,000 (\$1,500” and inserting “\$8,250 (1/2 such amount”.

(b) ADJUSTMENT FOR INFLATION.—Section 1211 of such Code (relating to limitation on capital losses) is amended by adding at the end the following new subsection:

“(c) ADJUSTMENT FOR INFLATION.—

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

“(A) such amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.

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

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