3936

118TH CONGRESS
1ST SESSION

H. R. 3936

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

IN THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Missouri introduced the following bill; which was referred to the Committee on 

A BILL

To amend the Internal Revenue Code of 1986 to rename the standard deduction the guaranteed deduction, and to add a bonus amount to the guaranteed deduction for taxable years 2024 and 2025.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Tax Cuts for Working
5 Families Act”.

June 7, 2023 (7:20 p.m.)
SEC. 2. STANDARD DEDUCTION RENAMED GUARANTEED DEDUCTION.

(a) In General.—Section 63 of the Internal Revenue Code of 1986 is amended—

(1) by striking “standard deduction” each place it appears and inserting “guaranteed deduction”, and

(2) in subsection (c)—

(A) in the heading, by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”,

(B) in the heading of paragraph (2), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”,

(C) in the heading of paragraph (3), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”,

(D) in the heading of paragraph (5), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”,

(E) in the heading of paragraph (6), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”, and

(F) in the heading of paragraph (7)(A), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”. 
(b) CONFORMING AMENDMENTS.—

(1) Section 1(g)(4)(A) of such Code is amended by striking “standard deduction” and inserting “guaranteed deduction”.

(2) Section 56(b)(1)(D) of such Code is amended—

(A) in the heading, by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”, and

(B) by striking “standard deduction” and inserting “guaranteed deduction”.

(3) Section 861(b) of such Code is amended by striking “standard deduction” and inserting “guaranteed deduction”.

(4) Section 862(b) of such Code is amended by striking “standard deduction” and inserting “guaranteed deduction”.

(5) Section 1398(c) of such Code is amended—

(A) in the heading, by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”,

(B) in the heading of paragraph (3), by striking “STANDARD DEDUCTION” and inserting “GUARANTEED DEDUCTION”, and
(C) by striking “standard deduction” and inserting “guaranteed deduction”.

(6) Section 3402 of such Code is amended by striking “standard deduction” each place it appears and inserting “guaranteed deduction”.

(7) Section 6012 of such Code is amended by striking “standard deduction” each place it appears and inserting “guaranteed deduction”.

(8) Section 6013(b)(3)(A) of such Code is amended by striking “standard deduction” and inserting “guaranteed deduction”.

(9) Section 6014(b)(4) of such Code is amended by striking “standard deduction” and inserting “guaranteed deduction”.

(10) Section 6334 of such Code is amended by striking “standard deduction” each place it appears and inserting “guaranteed deduction”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2023.

SEC. 3. BONUS GUARANTEED DEDUCTION FOR 2024 AND 2025.

(a) IN GENERAL.—Section 63(c) of the Internal Revenue Code of 1986 (as amended by section 2) is amended by adding at the end the following new paragraph:
“(8) Bonus guaranteed deduction for taxable years 2024 and 2025.—

“(A) In general.—In the case of a taxable year beginning after December 31, 2023, and before January 1, 2026, the guaranteed deduction shall be increased by the amount of the bonus guaranteed deduction.

“(B) Bonus guaranteed deduction.—For purposes of this paragraph, the bonus guaranteed deduction is—

“(i) $4,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),

“(ii) $3,000 in the case of a head of household, and

“(iii) $2,000 in any other case.

“(C) Adjustment for inflation.—In the case of a taxable year beginning after 2024, each dollar amount in subparagraph (B) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year be-
gins, determined by substituting ‘2023’ for ‘2016’ in subparagraph (A)(ii) thereof.

If any increase under this subparagraph is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

“(D) LIMITATION ON BONUS GUARANTEED DEDUCTION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

“(i) IN GENERAL.—The bonus guaranteed deduction determined under subparagraph (B) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer’s modified adjusted gross income as exceeds the threshold amount. For purposes of the preceding sentence, the term ‘modified adjusted gross income’ means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

“(ii) THRESHOLD AMOUNT.—For purposes of clause (i), the threshold amount is—

“(I) $400,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),
“(II) $300,000 in the case of a head of household, and
“(III) $200,000 in any other case.”.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2023.