

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 3936  
OFFERED BY MR. SMITH OF MISSOURI**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Tax Cuts for Working  
3 Families Act”.

**4 SEC. 2. STANDARD DEDUCTION RENAMED GUARANTEED  
5 DEDUCTION.**

6       (a) IN GENERAL.—Section 63 of the Internal Rev-  
7 enue Code of 1986 is amended—

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

11           (2) in subsection (c)—

12               (A) in the heading, by striking “STAND-  
13 ARD DEDUCTION” and inserting “GUARANTEED  
14 DEDUCTION”,

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

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

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

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

10 (F) in the heading of paragraph (7)(A), by  
11 striking “STANDARD DEDUCTION” and inserting  
12 “GUARANTEED DEDUCTION”.

13 (b) CONFORMING AMENDMENTS.—

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

17 (2) Section 56(b)(1)(D) of such Code is amend-  
18 ed—

19 (A) in the heading, by striking “STAND-  
20 ARD DEDUCTION” and inserting “GUARANTEED  
21 DEDUCTION”, and

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

1           (3) Section 861(b) of such Code is amended by  
2 striking “standard deduction” and inserting “guar-  
3 anteed deduction”.

4           (4) Section 862(b) of such Code is amended by  
5 striking “standard deduction” and inserting “guar-  
6 anteed deduction”.

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

8               (A) in the heading, by striking “STAND-  
9 ARD DEDUCTION” and inserting “GUARANTEED  
10 DEDUCTION”,

11               (B) in the heading of paragraph (3), by  
12 striking “STANDARD DEDUCTION” and inserting  
13 “GUARANTEED DEDUCTION”, and

14               (C) by striking “standard deduction” and  
15 inserting “guaranteed deduction”.

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

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

22           (8) Section 6013(b)(3)(A) of such Code is  
23 amended by striking “standard deduction” and in-  
24 serting “guaranteed deduction”.

1           (9) Section 6014(b)(4) of such Code is amend-  
2           ed by striking “standard deduction” and inserting  
3           “guaranteed deduction”.

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

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

10   **SEC. 3. BONUS GUARANTEED DEDUCTION FOR 2024 AND**  
11                                   **2025.**

12           (a) IN GENERAL.—Section 63(c) of the Internal Rev-  
13           enue Code of 1986 (as amended by section 2) is amended  
14           by adding at the end the following new paragraph:

15                   “(8) BONUS GUARANTEED DEDUCTION FOR  
16           TAXABLE YEARS 2024 AND 2025.—

17                           “(A) IN GENERAL.—In the case of a tax-  
18           able year beginning after December 31, 2023,  
19           and before January 1, 2026, the guaranteed de-  
20           duction shall be increased by the amount of the  
21           bonus guaranteed deduction.

22                           “(B) BONUS GUARANTEED DEDUCTION.—  
23           For purposes of this paragraph, the bonus  
24           guaranteed deduction is—

1 “(i) twice the dollar amount in effect  
2 under clause (iii) in the case of a joint re-  
3 turn or a surviving spouse (as defined in  
4 section 2(a)),

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

7 “(iii) \$2,000 in any other case.

8 “(C) ADJUSTMENT FOR INFLATION.—In  
9 the case of a taxable year beginning after 2024,  
10 the dollar amounts in clauses (ii) and (iii) of  
11 subparagraph (B) shall each be increased by an  
12 amount equal to—

13 “(i) such dollar amount, multiplied by

14 “(ii) the cost-of-living adjustment de-  
15 termined under section 1(f)(3) for the cal-  
16 endar year in which the taxable year be-  
17 gins, determined by substituting ‘2023’ for  
18 ‘2016’ in subparagraph (A)(ii) thereof.

19 If any increase under this subparagraph is not  
20 a multiple of \$50, such increase shall be round-  
21 ed to the next lowest multiple of \$50.

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

1           “(i) IN GENERAL.—The bonus guar-  
2           anteed deduction determined under sub-  
3           paragraph (B) shall be reduced (but not  
4           below zero) by 5 percent of so much of the  
5           taxpayer’s modified adjusted gross income  
6           as exceeds the threshold amount. For pur-  
7           poses of the preceding sentence, the term  
8           ‘modified adjusted gross income’ means  
9           adjusted gross income increased by any  
10          amount excluded from gross income under  
11          section 911, 931, or 933.

12          “(ii) THRESHOLD AMOUNT.—For pur-  
13          poses of clause (i), the threshold amount  
14          is—

15                 “(I) \$400,000 in the case of a  
16                 joint return or a surviving spouse (as  
17                 defined in section 2(a)),

18                 “(II) \$300,000 in the case of a  
19                 head of household, and

20                 “(III) \$200,000 in any other  
21                 case.

22          “(E) BONUS GUARANTEED DEDUCTION  
23          NOT ALLOWED TO DEPENDENTS.—In the case  
24          of any individual with respect to whom para-

1 graph (5) applies for any taxable year, subpara-  
2 graph (A) shall not apply.”.

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

