

Amendment to the Amendment in the Nature of a Substitute to H. Con. Res. 14
Offered by Rep. Plaskett

An Amendment to Fix the Republicans' Tax Scam

This amendment would require the Congressional Budget Office to certify this Act would decrease the Federal deficit and that savings are distributed equally among taxpayers making less than \$400,000 annually.

AMENDMENT
OFFERED BY Ms. Plaskett

Strike section 110001 and insert the following:

1 SEC. 110001. CERTIFICATION OF SAVINGS.

2 Notwithstanding any other provision of this Act, no
3 provision of this Act shall take effect until the Congres-
4 sional Budget Office certifies that—

5 (1) this Act will decrease the Federal deficit
6 based on its ten year projection of the effects of this
7 Act under the current law baseline in effect on the
8 date of enactment, and

9 (2) the savings from this Act are equitably dis-
10 tributed among taxpayers making less than
11 \$400,000 annually.

12 SEC. 110002. MODIFICATION OF RATES; RESTORATION OF
13 39.6 PERCENT RATE FOR HIGH INCOME INDIVIDUALS.
14

15 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS
16 AND SURVIVING SPOUSES.—Section 1(a) is amended by
17 striking the table contained therein and inserting the fol-
18 lowing:

“If taxable income is:

The tax is:

Not over \$19,050 10% of taxable income.

“If taxable income is:**The tax is:**

Over \$19,050 but not over \$77,400	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$450,000	\$91,379, plus 35% of the excess over \$400,000.
Over \$450,000	\$108,879, plus 39.6% of the excess over \$450,000.”.

1 (b) HEADS OF HOUSEHOLDS.—Section 1(b) is
2 amended by striking the table contained therein and in-
3 serting the following:

“If taxable income is:**The tax is:**

Not over \$13,600	10% of taxable income.
Over \$13,600 but not over \$51,800	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500	\$5,944, plus 22% of the excess over \$51,800.
Over \$82,500 but not over \$157,500	\$12,698, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$30,698, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$425,000	\$44,298, plus 35% of the excess over \$200,000.
Over \$425,000	\$123,048, plus 39.6% of the excess over \$425,000.”.

4 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-
5 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—Section
6 1(c) is amended by striking the table contained therein
7 and inserting the following:

“If taxable income is:**The tax is:**

Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.

“If taxable income is:**The tax is:**

Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$400,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$400,000	\$115,689.50, plus 39.6% of the excess over \$400,000.”.

- 1 (d) MARRIED INDIVIDUALS FILING SEPARATE RE-
- 2 TURNS.—Section 1(d) is amended by striking the table
- 3 contained therein and inserting the following:

“If taxable income is:**The tax is:**

Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$225,000	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$225,000	\$54,439.50, plus 39.6% of the excess over \$225,000.”.

- 4 (e) ESTATES AND TRUSTS.—Section 1(e) is amended
- 5 by striking the table contained therein and inserting the
- 6 following:

“If taxable income is:**The tax is:**

Not over \$2,550	10% of taxable income.
Over \$2,550 but not over \$9,150	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,500	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,500 but not over \$15,000	\$3,011.50, plus 37% of the excess over \$12,500.
Over \$15,000	\$6,522, plus 39.6% of the excess over \$15,000.”.

1 (f) INFLATION ADJUSTMENTS.—Section 1(f) is
 2 amended—

3 (1) by amending paragraph (2)(A) to read as
 4 follows:

5 “(A) by increasing the minimum and max-
 6 imum dollar amounts for each bracket for
 7 which a tax is imposed under such table by the
 8 cost-of-living adjustment for such calendar year,
 9 determined under this subsection for such cal-
 10 endar year by substituting ‘2017’ for ‘2016’ in
 11 paragraph (3)(A)(ii),”

12 (2) by amending paragraph (7) to read as fol-
 13 lows:

14 “(7) ROUNDING.—

15 “(A) IN GENERAL.—Except as provided in
 16 subparagraph (B), if any increase determined
 17 under paragraph (2)(A) is not a multiple of
 18 \$25, such increase shall be rounded to the next
 19 lowest multiple of \$25.

20 “(B) JOINT RETURNS, ETC.—In the case
 21 of a table prescribed under subsection (a), sub-
 22 paragraph (A) shall be applied by substituting
 23 ‘\$50’ for ‘\$25’ both places it appears.”

24 (3) by striking paragraph (8), and

1 (4) in the heading, by striking “PHASEOUT OF
 2 MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-
 3 JUSTMENTS” and inserting “ADJUSTMENTS”.

4 (g) APPLICATION OF INCOME TAX BRACKETS TO
 5 CAPITAL GAINS BRACKETS.—Section 1(h) is amended—

6 (1) in paragraph (1)(B)(i), by striking “25 per-
 7 cent” and inserting “22 percent”,

8 (2) in paragraph (1)(C)(ii)(I), by striking
 9 “which would (without regard to this paragraph) be
 10 taxed at a rate below 39.6 percent” and inserting
 11 “below the maximum 15-percent rate amount”, and

12 (3) by adding at the end the following new
 13 paragraphs:

14 “(12) MAXIMUM 15-PERCENT RATE AMOUNT
 15 DEFINED.—For purposes of this subsection, the
 16 maximum 15-percent rate amount shall be—

17 “(A) in the case of a joint return or sur-
 18 viving spouse (as defined in section 2(a)),
 19 \$479,000 (½ such amount in the case of a
 20 married individual filing a separate return),

21 “(B) in the case of an individual who is a
 22 head of household (as defined in section 2(b)),
 23 \$452,400,

24 “(C) in the case of any other individual
 25 (other than an estate or trust), \$425,800, and

1 “(D) in the case of an estate or trust,
2 \$12,700.

3 “(13) DETERMINATION OF 0 PERCENT RATE
4 BRACKET FOR ESTATES AND TRUSTS.—In the case
5 of any estate or trust, paragraph (1)(B) shall be ap-
6 plied by treating the amount determined in clause (i)
7 thereof as being equal to \$2,600.

8 “(14) INFLATION ADJUSTMENT.—

9 “(A) IN GENERAL.—Each of the dollar
10 amounts in paragraphs (12) and (13) shall be
11 increased by an amount equal to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-
14 termined under subsection (f)(3) for the
15 calendar year in which the taxable year be-
16 gins, determined by substituting ‘calendar
17 year 2017’ for ‘calendar year 2016’ in sub-
18 paragraph (A)(ii) thereof.

19 “(B) ROUNDING.—If any increase under
20 subparagraph (A) is not a multiple of \$50, such
21 increase shall be rounded to the next lowest
22 multiple of \$50.”.

23 (h) CONFORMING AMENDMENTS.—

24 (1) Section 1 is amended by striking sub-
25 sections (i) and (j).

1 (2) Section 3402(q)(1) is amended by striking
2 “third lowest” and inserting “fourth lowest”.

3 (i) APPLICATION OF SECTION 15.—

4 (1) IN GENERAL.—Subsection (a) of section 15
5 is amended by striking “If any rate of tax” and in-
6 serting “In the case of a corporation, if any rate of
7 tax”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 15 is amended by striking sub-
10 sections (d) and (f).

11 (B) Section 6013(c) is amended by strik-
12 ing “sections 15, 443, and 7851(a)(1)(A)” and
13 inserting “section 443”.

14 (C) The heading of section 15 is amended
15 by inserting “**ON CORPORATIONS**” after “**EF-**
16 **EFFECT OF CHANGES**”.

17 (D) The table of sections for part III of
18 subchapter A of chapter 1 is amended by strik-
19 ing the item relating to section 15 and inserting
20 the following new item:

“Sec. 15. Effect of changes on corporations.”.

21 (j) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by
23 this section shall apply to taxable years beginning
24 after December 31, 2025.

1 (2) APPLICATION OF SECTION 15.—Section 15
2 of the Internal Revenue Code of 1986 shall not
3 apply to any change in a rate of tax by reason of—

4 (A) section 1(j) of such Code (as in effect
5 before its repeal by this section), or

6 (B) any amendment made by this Act.

Strike section 110005 and insert the following:

7 **SEC. 110005. DEDUCTION FOR QUALIFIED BUSINESS IN-**
8 **COME; PHASEOUT FOR HIGH INCOME INDIVIDUALS.**
9 **VIDUALS.**

10 (a) IN GENERAL.—Section 199A is amended by
11 striking subsection (i).

12 (b) PHASEOUT BASED ON MODIFIED ADJUSTED
13 GROSS INCOME.—Section 199A, as amended by sub-
14 section (a), is amended by adding at the end the following
15 new subsection:

16 “(i) PHASEOUT BASED ON MODIFIED ADJUSTED
17 GROSS INCOME.—

18 “(1) IN GENERAL.—The amount of the deduc-
19 tion under subsection (a) shall be reduced by 50 per-
20 cent of the amount by which the modified adjusted
21 gross income of the taxpayer for the taxable year ex-
22 ceeds \$450,000 (\$225,000, in the case of a married
23 individual filing a separate return).

1 “(2) MODIFIED ADJUSTED GROSS INCOME.—
 2 For purposes of this subsection, the term ‘modified
 3 adjusted gross income’ means the adjusted gross in-
 4 come of the taxpayer for the taxable year increased
 5 by any amount excluded from gross income under
 6 section 911, 931, or 933.

7 “(3) ESTATES AND TRUSTS.—For purposes of
 8 this subsection, in the case of an estate or trust, ad-
 9 justed gross income shall be computed as provided
 10 in section 67(e).”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 December 31, 2025.

Strike section 112027 and insert the following:

14 **SEC. 112027. LIMITATION ON LOSSES FOR TAXPAYERS**
 15 **OTHER THAN CORPORATIONS.**

16 (a) IN GENERAL.—Section 461 is amended—
 17 (1) by amending subsection (l)(1) to read as
 18 follows:

19 “(1) LIMITATION.—In the case of a taxpayer
 20 other than a corporation, any excess business loss of
 21 the taxpayer for the taxable year shall not be al-
 22 lowed.”, and

1 (2) by striking subsection (j) and redesignating
 2 subsections (k) and (l) (as amended) as subsections
 3 (j) and (k), respectively.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 58(a)(2)(A) is amended by striking
 6 “461(k)” and inserting “461(j)”.

7 (2) Section 461(i)(4) is amended by striking
 8 “subsection (k)” and inserting “subsection (j)”.

9 (3) Section 464(d)(2)(B)(iii) is amended by
 10 striking “section 461(k)(2)(E)” and inserting “sec-
 11 tion 461(j)(2)(E)”.

12 (4) Subparagraphs (B) and (C) of section
 13 1256(e)(3) are each amended by striking “section
 14 461(k)(4)” and inserting “section 461(j)(4)”.

15 (5) Section 1258(d)(5)(C) is amended by strik-
 16 ing “section 461(k)(4)” and inserting “section
 17 461(j)(4)”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years beginning after
 20 the date of the enactment of this Act.

Strike section 110002 and insert the following

21 **SEC. 110002. INCREASE IN STANDARD DEDUCTION.**

22 (a) IN GENERAL.—Section 63(c)(2) is amended—

23 (1) by striking “\$4,400” in subparagraph (B)
 24 and inserting “\$18,000”, and

1 (2) by striking “\$3,000” in subparagraph (C)
2 and inserting “\$12,000”.

3 (b) INFLATION ADJUSTMENT.—Section 63(c)(4) is
4 amended to read as follows:

5 “(4) ADJUSTMENTS FOR INFLATION.—

6 “(A) IN GENERAL.—Each dollar amount in
7 paragraph (2)(B), (2)(C), or (5) or subsection
8 (f) shall be increased by an amount equal to—

9 “(i) such dollar amount, multiplied by

10 “(ii) the cost-of-living adjustment de-
11 termined under section 1(f)(3) for the cal-
12 endar year in which the taxable year be-
13 gins, determined by substituting for ‘2016’
14 in subparagraph (A)(ii) thereof—

15 “(I) in the case of the dollar
16 amounts contained in paragraph
17 (2)(B) or (2)(C), ‘2017’,

18 “(II) in the case of the dollar
19 amounts contained in paragraph
20 (5)(A) or subsection (f), ‘1987’, and

21 “(III) in the case of the dollar
22 amount contained in paragraph
23 (5)(B), ‘1997’.

24 “(B) ROUNDING.—If any increase under
25 subparagraph (A) is not a multiple of \$50, such

1 increase shall be rounded to the next lowest
2 multiple of \$50.”.

3 (c) CONFORMING AMENDMENT.—Section 63(c) is
4 amended by striking paragraph (7).

5 (d) EFFECTIVE DATE.—If the Congressional Budget
6 Office certifies that the ten year score for this Act in-
7 creases the Federal deficit, the amendments made by this
8 section shall apply to taxable years beginning after such
9 date.

Strike section 110004 and insert the following:

10 **SEC. 110004. INCREASE IN AND MODIFICATION OF CHILD**
11 **TAX CREDIT.**

12 (a) IN GENERAL.—Section 24 is amended by striking
13 subsections (a), (b), and (c) and inserting the following
14 new subsections:

15 “(a) ALLOWANCE OF CREDIT.—There shall be al-
16 lowed as a credit against the tax imposed by this chapter
17 for the taxable year an amount equal to the sum of—

18 “(1) \$2,000 for each qualifying child of the tax-
19 payer, and

20 “(2) \$500 for each qualifying dependent (other
21 than a qualifying child) of the taxpayer.

22 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
23 COME.—The amount of the credit allowable under sub-
24 section (a) shall be reduced (but not below zero) by \$50

1 for each \$1,000 (or fraction thereof) by which the tax-
2 payer's modified adjusted gross income exceeds \$400,000
3 in the case of a joint return (\$200,000 in any other case).
4 For purposes of the preceding sentence, the term "modi-
5 fied adjusted gross income" means adjusted gross income
6 increased by any amount excluded from gross income
7 under section 911, 931, or 933.

8 “(c) QUALIFYING CHILD; QUALIFYING DEPEND-
9 ENT.—For purposes of this section—

10 “(1) QUALIFYING CHILD.—The term ‘qualifying
11 child’ means any qualifying dependent of the tax-
12 payer—

13 “(A) who is a qualifying child (as defined
14 in section 7706(c)) of the taxpayer,

15 “(B) who has not attained age 17 at the
16 close of the calendar year in which the taxable
17 year of the taxpayer begins, and

18 “(C) whose name and social security num-
19 ber are included on the taxpayer's return of tax
20 for the taxable year.

21 “(2) QUALIFYING DEPENDENT.—The term
22 ‘qualifying dependent’ means any dependent of the
23 taxpayer (as defined in section 7706 without regard
24 to all that follows ‘resident of the United States’ in
25 section 7706(b)(3)(A)) whose name and TIN are in-

1 cluded on the taxpayer's return of tax for the tax-
2 able year.

3 “(3) SOCIAL SECURITY NUMBER DEFINED.—
4 For purposes of this subsection, the term ‘social se-
5 curity number’ means, with respect to a return of
6 tax, a social security number issued to an individual
7 by the Social Security Administration, but only if
8 the social security number is issued—

9 “(A) to a citizen of the United States or
10 pursuant to subclause (I) (or that portion of
11 subclause (III) that relates to subclause (I)) of
12 section 205(c)(2)(B)(i) of the Social Security
13 Act, and

14 “(B) on or before the due date of filing
15 such return.”.

16 (b) PORTION OF CREDIT REFUNDABLE.—

17 (1) IN GENERAL.—Section 24(d)(1)(A) is
18 amended to read as follows:

19 “(A) the credit which would be allowed
20 under this section determined—

21 “(i) by substituting ‘\$1,400’ for
22 ‘\$2,000’ in subsection (a)(1),

23 “(ii) without regard to subsection
24 (a)(2), and

1 “(iii) without regard to this subsection
2 (other than this subparagraph) and the
3 limitation under section 26(a), or”.

4 (2) MODIFICATION OF LIMITATION BASED ON
5 EARNED INCOME.—Section 24(d)(1)(B)(i) is amend-
6 ed by striking “\$3,000” and inserting “\$2,500”.

7 (3) INFLATION ADJUSTMENT.—Section 24(d) is
8 amended by inserting after paragraph (3) the fol-
9 lowing new paragraph:

10 “(4) ADJUSTMENT FOR INFLATION.—

11 “(A) IN GENERAL.—The \$1,400 amount in
12 paragraph (1)(A)(i) shall be increased by an
13 amount equal to—

14 “(i) such dollar amount, multiplied by

15 “(ii) the cost-of-living adjustment de-
16 termined under section 1(f)(3) for the cal-
17 endar year in which the taxable year be-
18 gins, determined by substituting ‘2017’ for
19 ‘2016’ in subparagraph (A)(ii) thereof.

20 “(B) ROUNDING.—If any increase under
21 subparagraph (A) is not a multiple of \$100,
22 such increase shall be rounded to the next low-
23 est multiple of \$100.

24 “(C) LIMITATION.—The amount of any in-
25 crease under subparagraph (A) (after the appli-

1 cation of subparagraph (B)) shall not exceed
 2 \$600.”.

3 (4) CONFORMING AMENDMENTS.—

4 (A) Section 24(e) is amended to read as
 5 follows:

6 “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—

7 No credit shall be allowed under this section if the identi-
 8 fying number of the taxpayer was issued after the due date
 9 for filing the return of tax for the taxable year.”.

10 (B) Section 24 is amended by striking sub-
 11 section (h).

12 (c) REPEAL OF CERTAIN LATER ENACTED PROVI-
 13 SIONS.—

14 (1) Section 24 is amended by striking sub-
 15 sections (i), (j), and (k).

16 (2) Chapter 77 is amended by striking section
 17 7527A (and by striking the item relating to section
 18 7527A in the table of sections for such chapter).

19 (3) Section 26(b)(2) is amended by inserting
 20 “and” at the end of subparagraph (X), by striking
 21 “, and” at the end of subparagraph (Y) and insert-
 22 ing a period, and by striking subparagraph (Z).

23 (4) Section 3402(f)(1)(C) is amended by strik-
 24 ing “section 24 (determined after application of sub-
 25 section (j) thereof)” and inserting “section 24(a)”.

1 (5) Section 6211(b)(4)(A) is amended—

2 (A) by striking “24 by reason of sub-
3 sections (d) and (i)(1) thereof” and inserting
4 “24(d)”, and

5 (B) by striking “6428B, and 7527A” and
6 inserting “and 6428B”.

7 (6) Paragraph (2) of section 1324(b) of title
8 31, United States Code, is amended by striking
9 “6431, or 7527A” and inserting “or 6431”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

Strike 112028 and insert the following:

13 **SEC. 112028. INCREASED LIMITATION FOR CERTAIN CHARI-**
14 **TABLE CONTRIBUTIONS.**

15 (a) IN GENERAL.—Section 170(b)(1)(G) is amended
16 to read as follows:

17 “(G) CASH CONTRIBUTIONS.—

18 “(i) IN GENERAL.—Any contribution
19 of cash to an organization described in
20 subparagraph (A) shall be allowed to the
21 extent that the aggregate of such contribu-
22 tions does not exceed 60 percent of the
23 taxpayer’s contribution base for the taxable
24 year, reduced by the aggregate amount of

contributions allowable under subparagraph (A) for such taxpayer for such year.

“(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation of clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 5 succeeding years in order of time.”.

(b) COORDINATION WITH LIMITATIONS ON OTHER CONTRIBUTIONS.—

(1) COORDINATION WITH 50 PERCENT LIMITATION.—Section 170(b)(1)(A) is amended by striking “Any charitable contribution” and inserting “Any charitable contribution other than a contribution described in subparagraph (G)”.

(2) COORDINATION WITH 30 PERCENT LIMITATION.—Section 170(b)(1)(B) is amended—

(A) in the matter preceding clause (i), by striking “to which subparagraph (A) applies” and inserting “to which subparagraph (A) or (G) applies”,

(B) by amending clause (ii) to read as follows:

1 “(ii) the excess of—

2 “(I) the sum of 50 percent of the
3 taxpayer’s contribution base for the
4 taxable year, plus so much of the
5 amount of charitable contributions al-
6 lowable under subparagraph (G) as
7 does not exceed 10 percent of such
8 contribution base, over

9 “(II) the amount of charitable
10 contributions allowable under sub-
11 paragraphs (A) and (G) (determined
12 without regard to subparagraph
13 (C)).”, and

14 (C) in the matter following clause (ii), by
15 striking “(to which subparagraph (A) does not
16 apply)” and inserting “(to which neither sub-
17 paragraph (A) nor (G) applies)”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to contributions made in taxable
20 years beginning after the date of the enactment of this
21 Act.

Strike section 110015 and insert the following sec-
tions:

1 **SEC. 110015. INCREASED CONTRIBUTIONS TO ABLE AC-**
 2 **COUNTS.**

3 (a) INCREASE IN LIMITATION FOR CONTRIBUTIONS
 4 FROM COMPENSATION OF INDIVIDUALS WITH DISABIL-
 5 ITIES.—Section 529A(b)(2)(B)(ii) is amended by striking
 6 “before January 1, 2026”.

7 (b) ALLOWANCE OF SAVER’S CREDIT FOR ABLE
 8 CONTRIBUTIONS BY ACCOUNT HOLDER.—Section
 9 25B(d)(1)(D) is amended by striking “made before Janu-
 10 ary 1, 2026,”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 the date of the enactment of this Act.

14 **SEC. 110016. ROLLOVERS TO ABLE PROGRAMS FROM 529**
 15 **PROGRAMS.**

16 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is
 17 amended by striking “before January 1, 2026,”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to distributions after the date of
 20 the enactment of this Act.

Strike section 110018 and insert the following:

21 **SEC. 110018. TREATMENT OF CERTAIN INDIVIDUALS PER-**
 22 **FORMING SERVICES IN THE SINAI PENIN-**
 23 **SULA OF EGYPT.**

24 (a) IN GENERAL.—Section 112(c)(2) is amended—

1 (1) by striking “means any area” and inserting

2 “means—

3 “(A) any area”, and

4 (2) by striking the period at the end and insert-

5 ing “, and

6 “(B) the Sinai Peninsula of Egypt.”.

7 (b) PERIOD OF TREATMENT.—Section 112(c)(3) is

8 amended—

9 (1) by striking “only if performed” and insert-

10 ing “only if—

11 “(A) in the case of an area described in

12 paragraph (2)(A), such service is performed”,

13 and

14 (2) by striking the period at the end and insert-

15 ing “, and

16 “(B) in the case of the area described in

17 paragraph (2)(B), such service is performed

18 during any period with respect to which one or

19 more members of the Armed Forces of the

20 United States are entitled to special pay under

21 section 310 of title 37, United States Code (re-

22 lating to special pay; duty subject to hostile fire

23 or imminent danger), for service performed in

24 such area.”.

1 (c) CONFORMING AMENDMENT.—Public Law 115-97
2 is amended by striking section 11026.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply with respect to services performed
5 on or after the date of the enactment of this Act.

Strike section 110019 and insert the following sections:

6 **SEC. 110019. TREATMENT OF STUDENT LOAN DISCHARGES.**

7 (a) SUNSET OF SPECIAL RULE FOR DISCHARGES OF
8 CERTAIN LOANS.—Section 108(f)(5) is amended—

9 (1) in the heading, by striking “2025” and in-
10 serting “2024”, and

11 (2) by striking “January 1, 2026” and insert-
12 ing “January 1, 2025”.

13 (b) REINSTATEMENT OF RULE FOR DISCHARGES ON
14 ACCOUNT OF DEATH OR DISABILITY AFTER 2024.—Sec-
15 tion 108(f) is amended by adding at the end the following
16 new paragraph:

17 “(6) DISCHARGES ON ACCOUNT OF DEATH OR
18 DISABILITY AFTER 2024.—

19 “(A) IN GENERAL.—In the case of an indi-
20 vidual, gross income does not include any
21 amount which (but for this subsection) would
22 be includible in gross income for such taxable
23 year by reasons of the discharge (in whole or in

1 part) of any loan described in subparagraph
2 (B) after December 31, 2024, if such discharge
3 was—

4 “(i) pursuant to subsection (a) or (d)
5 of section 437 of the Higher Education
6 Act of 1965 or the parallel benefit under
7 part D of title IV of such Act (relating to
8 the repayment of loan liability),

9 “(ii) pursuant to section 464(c)(1)(F)
10 of such Act, or

11 “(iii) otherwise discharged on account
12 of the death or total and permanent dis-
13 ability of the student.

14 “(B) LOANS DESCRIBED.—A loan is de-
15 scribed in this subparagraph if such loan is—

16 “(i) a student loan (as defined in
17 paragraph (2)), or

18 “(ii) a private education loan (as de-
19 fined in section 140(7) of the Consumer
20 Credit Protection Act (15 U.S.C.
21 1650(7))).”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to discharges of indebtedness after
24 December 31, 2024.

1 **SEC. 110020. 529 ACCOUNT FUNDING FOR HOMESCHOOL**
 2 **AND ADDITIONAL ELEMENTARY AND SEC-**
 3 **ONDARY EXPENSES.**

4 (a) IN GENERAL.—Section 529(c)(7) of the Internal
 5 Revenue Code of 1986 is amended to read as follows:

6 “(7) TREATMENT OF ELEMENTARY AND SEC-
 7 ONDARY TUITION.—Any reference in this section to
 8 the term ‘qualified higher education expense’ shall
 9 include a reference to the following expenses in con-
 10 nection with enrollment or attendance at, or for stu-
 11 dents enrolled at or attending, an elementary or sec-
 12 ondary public, private, or religious school:

13 “(A) Tuition.

14 “(B) Curriculum and curricular materials.

15 “(C) Books or other instructional mate-
 16 rials.

17 “(D) Online educational materials.

18 “(E) Tuition for tutoring or educational
 19 classes outside of the home, including at a tu-
 20 toring facility, but only if the tutor or instruc-
 21 tor is not related to the student and—

22 “(i) is licensed as a teacher in any
 23 State,

24 “(ii) has taught at an eligible edu-
 25 cational institution, or

1 “(iii) is a subject matter expert in the
2 relevant subject.

3 “(F) Fees for a nationally standardized
4 norm-referenced achievement test, an advanced
5 placement examination, or any examinations re-
6 lated to college or university admission.

7 “(G) Fees for dual enrollment in an insti-
8 tution of higher education.

9 “(H) Educational therapies for students
10 with disabilities provided by a licensed or ac-
11 credited practitioner or provider, including oc-
12 cupational, behavioral, physical, and speech-lan-
13 guage therapies.

14 Such term shall include expenses for the purposes
15 described in subparagraphs (A) through (H) in con-
16 nection with a homeschool (whether treated as a
17 homeschool or a private school for purposes of appli-
18 cable State law).”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to distributions made after the
21 date of the enactment of this Act.

At the appropriate place, insert the following:

1 **SEC. _____. REPEAL OF DEDUCTION FOR PERSONAL EX-**
 2 **EMPTIONS.**

3 (a) IN GENERAL.—Part V of subchapter B of chapter
 4 1 is hereby repealed.

5 (b) DEFINITION OF DEPENDENT RETAINED.—Sec-
 6 tion 152, prior to the repeal made by subsection (a), is
 7 hereby redesignated as section 7706 and moved to the end
 8 of chapter 79.

9 (c) APPLICATION TO TRUSTS AND ESTATES.—Sec-
 10 tion 642(b) is amended—

11 (1) in paragraph (2)(C)—

12 (A) in clause (i), by striking “the exemp-
 13 tion amount under section 151(d)” and all that
 14 follows through the period at the end and in-
 15 serting “the dollar amount in effect under sec-
 16 tion 7706(d)(1)(B).”, and

17 (B) by striking clause (iii),

18 (2) by striking paragraph (3), and

19 (3) by striking “DEDUCTION FOR PERSONAL
 20 EXEMPTION” in the heading thereof and inserting
 21 “BASIC DEDUCTION”.

22 (d) APPLICATION TO NONRESIDENT ALIENS.—Sec-
 23 tion 873(b) is amended by striking paragraph (3).

24 (e) MODIFICATION OF RETURN REQUIREMENT.—

25 (1) IN GENERAL.—Section 6012(a)(1) is
 26 amended to read as follows:

1 “(1) Every individual who has gross income for
2 the taxable year, except that a return shall not be
3 required of—

4 “(A) an individual who is not married (de-
5 termined by applying section 7703) and who
6 has gross income for the taxable year which
7 does not exceed the standard deduction applica-
8 ble to such individual for such taxable year
9 under section 63, or

10 “(B) an individual entitled to make a joint
11 return if—

12 “(i) the gross income of such indi-
13 vidual, when combined with the gross in-
14 come of such individual’s spouse, for the
15 taxable year does not exceed the standard
16 deduction which would be applicable for
17 such taxable year under section 63 if such
18 individual and such individual’s spouse
19 made a joint return,

20 “(ii) such individual’s spouse does not
21 make a separate return, and

22 “(iii) neither such individual nor such
23 individual’s spouse is an individual de-
24 scribed in section 63(c)(4) who has income
25 (other than earned income) in excess of the

1 amount in effect under section
2 63(c)(4)(A).”.

3 (2) BANKRUPTCY ESTATES.—Section
4 6012(a)(8) is amended by striking “the sum of the
5 exemption amount plus the basic standard deduction
6 under section 63(c)(2)(C)” and inserting “the stand-
7 ard deduction in effect under section 63(c)(1)(B)”.

8 (3) CONFORMING AMENDMENT.—Section 6012
9 is amended by striking subsection (f).

10 (f) CONFORMING AMENDMENTS.—

11 (1) Section 1(g)(5)(A) is amended by striking
12 “section 152(e)” and inserting “section 7706(e)”.

13 (2) Section 2(a)(1)(B) is amended—

14 (A) by striking “section 152” and insert-
15 ing “section 7706”, and

16 (B) by striking “with respect to whom the
17 taxpayer is entitled to a deduction for the tax-
18 able year under section 151” and inserting
19 “whose TIN is included on the taxpayer’s re-
20 turn of tax for the taxable year”.

21 (3) Section 2(b)(1)(A)(i) is amended—

22 (A) in the matter preceding subclause
23 (I)—

24 (i) by striking “section 152(c)” and
25 inserting “section 7706(c)”, and

1 (ii) by striking “section 152(e)” and
2 inserting “section 7706(e)”, and

3 (B) in subclause (II), by striking “section
4 152(b)(2) or 152(b)(3)” and inserting “section
5 7706(b)(2) or 7706(b)(3)”.

6 (4) Section 2(b)(1)(A)(ii) is amended by strik-
7 ing “if the taxpayer is entitled to a deduction for the
8 taxable year for such person under section 151” and
9 inserting “if the taxpayer included such person’s
10 TIN on the return of tax for the taxable year”.

11 (5) Section 2(b)(1)(B) is amended by striking
12 “if the taxpayer is entitled to a deduction for the
13 taxable year for such father or mother under section
14 151” and inserting “if such father or mother is a
15 dependent of the taxpayer and the taxpayer included
16 such father or mother’s TIN on the return of tax for
17 the taxable year”.

18 (6) Section 2(b)(3)(B) is amended—

19 (A) by striking “section 152(d)(2)” in
20 clause (i) and inserting “section 7706(d)(2)”,
21 and

22 (B) by striking “section 152(d)” in clause
23 (ii) and inserting “section 7706(d)”.

1 (7) Section 21(b)(1)(A) is amended by striking
 2 “section 152(a)(1)” and inserting “section
 3 7706(a)(1)”.

4 (8) Section 21(b)(1)(B) is amended by striking
 5 “section 152” and inserting “section 7706”.

6 (9) Section 21(e)(5)(A) is amended by striking
 7 “section 152(e)” and inserting “section 7706(e)”.

8 (10) Section 21(e)(5) is amended by striking
 9 “section 152(e)(4)(A)” in the matter following sub-
 10 paragraph (B) and inserting “section
 11 7706(e)(4)(A)”.

12 (11) Section 21(e)(6)(A) is amended to read as
 13 follows:

14 “(A) who is a dependent of either the tax-
 15 payer or the taxpayer’s spouse for the taxable
 16 year, or”.

17 (12) Section 21(e)(6)(B) is amended by striking
 18 “section 152(f)(1)” and inserting “section
 19 7706(f)(1)”.

20 (13) Section 25A(f)(1)(A)(iii) is amended by
 21 striking “with respect to whom the taxpayer is al-
 22 lowed a deduction under section 151”.

23 (14) Section 25A(g)(3) is amended by striking
 24 “If a deduction under section 151 with respect to an
 25 individual is allowed to another taxpayer” and in-

1 serting “If an individual is a dependent of another
2 taxpayer”.

3 (15) Section 25B(c)(2)(A) is amended by strik-
4 ing “any individual with respect to whom a deduc-
5 tion under section 151 is allowed to another tax-
6 payer” and inserting “any individual who is a de-
7 pendent of another taxpayer”.

8 (16) Section 25B(c)(2)(B) is amended by strik-
9 ing “section 152(f)(2)” and inserting “section
10 7706(f)(2)”.

11 (17) Section 32(c)(1)(A)(ii)(III) is amended by
12 striking “a dependent for whom a deduction is al-
13 lowable under section 151 to another taxpayer” and
14 inserting “a dependent of another taxpayer”.

15 (18) Section 32(c)(3) is amended—

16 (A) in subparagraph (A)—

17 (i) by striking “section 152(c)” and
18 inserting “section 7706(c)”, and

19 (ii) by striking “section 152(e)” and
20 inserting “section 7706(e)”,

21 (B) in subparagraph (B), by striking “un-
22 less the taxpayer is entitled to a deduction
23 under section 151 for such taxable year with re-
24 spect to such individual (or would be so entitled
25 but for section 152(e)” and inserting “if such

1 individual is not treated as a dependent of such
 2 taxpayer for such taxable year by reason of sec-
 3 tion 7706(b)(2) (determined without regard to
 4 section 7706(e))”, and

5 (C) in subparagraph (C), by striking “sec-
 6 tion 152(c)(1)(B)” and inserting “section
 7 7706(c)(1)(B)”.

8 (19) Section 35(d)(1)(B) is amended by strik-
 9 ing “with respect to whom the taxpayer is entitled
 10 to a deduction under section 151(c)” and inserting
 11 “if the taxpayer included such person’s TIN on the
 12 return of tax for the taxable year”.

13 (20) Section 35(d)(2) is amended—

14 (A) by striking “section 152(e)” and in-
 15 serting “section 7706(e)”, and

16 (B) by striking “section 152(e)(4)(A)” and
 17 inserting “section 7706(e)(4)(A)”.

18 (21) Section 36B(b)(2)(A) is amended by strik-
 19 ing “section 152” and inserting “section 7706”.

20 (22) Section 36B(b)(3)(B) is amended—

21 (A) in clause (ii)(I)(aa), by striking “who
 22 is not allowed a deduction under section 151 for
 23 the taxable year with respect to a dependent”
 24 and inserting “who does not have any depend-
 25 ents for the taxable year”, and

1 (B) in the flush matter at the end, by
2 striking “unless a deduction is allowed under
3 section 151 for the taxable year with respect to
4 a dependent” and inserting “unless the tax-
5 payer has a dependent for the taxable year (and
6 the taxpayer included such dependent’s TIN on
7 the return of tax for the taxable year)”.

8 (23) Section 36B(c)(1)(D) is amended by strik-
9 ing “with respect to whom a deduction under section
10 151 is allowable to another taxpayer” and inserting
11 “who is a dependent of another taxpayer”.

12 (24) Section 36B(d)(1) is amended by striking
13 “equal to the number of individuals for whom the
14 taxpayer is allowed a deduction under section 151
15 (relating to allowance of deduction for personal ex-
16 emptions) for the taxable year” and inserting “the
17 sum of 1 (2 in the case of a joint return) plus the
18 number of individuals who are dependents of the
19 taxpayer for the taxable year”.

20 (25) Section 36B(e)(1) is amended by striking
21 “1 or more individuals for whom a taxpayer is al-
22 lowed a deduction under section 151 (relating to al-
23 lowance of deduction for personal exemptions) for
24 the taxable year (including the taxpayer or his
25 spouse)” and inserting “1 or more of the taxpayer,

1 the taxpayer's spouse, or any dependent of the tax-
 2 payer".

3 (26) Section 42(i)(3)(D)(ii)(I) is amended by
 4 striking "section 152" and inserting "section 7706".

5 (27) Section 45R(e)(1)(A)(iv) is amended—

6 (A) by striking "section 152(d)(2)" and in-
 7 serting "section 7706(d)(2)", and

8 (B) by striking "section 152(d)(2)(H)"
 9 and inserting "section 7706(d)(2)(H)".

10 (28) Section 51(i)(1) is amended—

11 (A) by striking "section 152(d)(2)" in sub-
 12 paragraphs (A) and (B) and inserting "section
 13 7706(d)(2)", and

14 (B) by striking "section 152(d)(2)(H)" in
 15 subparagraph (C) and inserting "section
 16 7706(d)(2)(H)".

17 (29) Section 56(b)(1)(D) is amended—

18 (A) by striking " , the deduction for per-
 19 sonal exemptions under section 151," and

20 (B) by striking "AND DEDUCTION FOR
 21 PERSONAL EXEMPTIONS" in the heading there-
 22 of.

23 (30) Section 63(b) is amended by adding "and"
 24 at the end of paragraph (1), by striking paragraph

1 (2), and by redesignating paragraph (3) as para-
 2 graph (2).

3 (31) Section 63(c), as amended by section 121,
 4 is amended by striking paragraph (3) and redesign-
 5 ating paragraphs (4), (5), and (6) as paragraphs
 6 (3), (4), and (5), respectively.

7 (32) Section 63(c)(4), as redesignated, is
 8 amended—

9 (A) by striking “with respect to whom a
 10 deduction under section 151 is allowable to”
 11 and inserting “who is a dependent of”, and

12 (B) by striking “CERTAIN” in the heading
 13 thereof.

14 (33) Section 63(f) is amended by striking all
 15 that precedes paragraph (3) and inserting the fol-
 16 lowing:

17 “(f) ADDITIONAL STANDARD DEDUCTION FOR THE
 18 AGED AND BLIND.—

19 “(1) IN GENERAL.—For purposes of subsection
 20 (c)(1), the additional standard deduction is, with re-
 21 spect to a taxpayer for a taxable year, the sum of—

22 “(A) \$600 if the taxpayer has attained age
 23 65 before the close of such taxable year, and

24 “(B) \$600 if the taxpayer is blind as of
 25 the close of such taxable year.

1 “(2) APPLICATION TO MARRIED INDIVID-
2 UALS.—

3 “(A) JOINT RETURNS.—In the case of a
4 joint return, paragraph (1) shall be applied sep-
5 arately with respect to each spouse.

6 “(B) CERTAIN MARRIED INDIVIDUALS FIL-
7 ING SEPARATELY.—In the case of a married in-
8 dividual filing a separate return, if—

9 “(i) the spouse of such individual has
10 no gross income for the calendar year in
11 which the taxable year of such individual
12 begins,

13 “(ii) such spouse is not the dependent
14 of another taxpayer for a taxable year be-
15 ginning in the calendar year in which such
16 individual’s taxable year begins, and

17 “(iii) the TIN of such spouse is in-
18 cluded on such individual’s return of tax
19 for the taxable year,

20 the additional standard deduction shall be de-
21 termined in the same manner as if such indi-
22 vidual and such individual’s spouse filed a joint
23 return.”.

1 (34) Section 63(f)(3) is amended by striking
2 “paragraphs (1) and (2)” and inserting “subpara-
3 graphs (A) and (B) of paragraph (1)”.

4 (35) Section 72(t)(2)(D)(i)(III) is amended by
5 striking “section 152” and inserting “section 7706”.

6 (36) Section 72(t)(7)(A)(iii) is amended by
7 striking “section 152(f)(1)” and inserting “section
8 7706(f)(1)”.

9 (37) Section 105(b) is amended—

10 (A) by striking “as defined in section 152”
11 and inserting “as defined in section 7706”,

12 (B) by striking “section 152(f)(1)” and in-
13 serting “section 7706(f)(1)”, and

14 (C) by striking “section 152(e)” and in-
15 serting “section 7706(e)”.

16 (38) Section 105(c)(1) is amended by striking
17 “section 152” and inserting “section 7706”.

18 (39) Section 125(e)(1)(D) is amended by strik-
19 ing “section 152” and inserting “section 7706”.

20 (40) Section 129(c)(1) is amended to read as
21 follows:

22 “(1) who is a dependent of such employee or of
23 such employee’s spouse, or”.

1 (41) Section 129(c)(2) is amended by striking
2 “section 152(f)(1)” and inserting “section
3 7706(f)(1)”.

4 (42) Section 132(h)(2)(B) is amended—
5 (A) by striking “section 152(f)(1)” and in-
6 serting “section 7706(f)(1)”, and
7 (B) by striking “section 152(e)” and in-
8 serting “section 7706(e)”.

9 (43) Section 139D(c)(5) is amended by striking
10 “section 152” and inserting “section 7706”.

11 (44) Section 139E(c)(2) is amended by striking
12 “section 152” and inserting “section 7706”.

13 (45) Section 162(l)(1)(D) is amended by strik-
14 ing “section 152(f)(1)” and inserting “section
15 7706(f)(1)”.

16 (46) Section 170(g)(1) is amended by striking
17 “section 152” and inserting “section 7706”.

18 (47) Section 170(g)(3) is amended by striking
19 “section 152(d)(2)” and inserting “section
20 7706(d)(2)”.

21 (48) Section 172(d) is amended by striking
22 paragraph (3).

23 (49) Section 213(a) is amended by striking
24 “section 152” and inserting “section 7706”.

1 (50) Section 213(d)(5) is amended by striking
2 “section 152(e)” and inserting “section 7706(e)”.

3 (51) Section 213(d)(11) is amended by striking
4 “section 152(d)(2)” in the matter following subpara-
5 graph (B) and inserting “section 7706(d)(2)”.

6 (52) Section 220(b)(6) is amended by striking
7 “with respect to whom a deduction under section
8 151 is allowable to” and inserting “who is a depend-
9 ent of”.

10 (53) Section 220(d)(2)(A) is amended by strik-
11 ing “section 152” and inserting “section 7706”.

12 (54) Section 221(d)(4) is amended by striking
13 “section 152” and inserting “section 7706”.

14 (55) Section 223(b)(6) is amended by striking
15 “with respect to whom a deduction under section
16 151 is allowable to” and inserting “who is a depend-
17 ent of”.

18 (56) Section 223(d)(2)(A) is amended by strik-
19 ing “section 152” and inserting “section 7706”.

20 (57) Section 401(h) is amended by striking
21 “section 152(f)(1)” in the last sentence and insert-
22 ing “section 7706(f)(1)”.

23 (58) Section 402(l)(4)(D) is amended by strik-
24 ing “section 152” and inserting “section 7706”.

1 (59) Section 409A(a)(2)(B)(ii)(I) is amended
2 by striking “section 152(a)” and inserting “section
3 7706(a)”.

4 (60) Section 441(f)(2)(B)(iii) is amended by
5 striking “, but only the adjusted amount of the de-
6 ductions for personal exemptions as described in sec-
7 tion 443(c)”.

8 (61) Section 443 is amended—

9 (A) in subsection (b)—

10 (i) by striking paragraph (3), and

11 (ii) by striking “modified taxable in-
12 come” and inserting “taxable income” each
13 place such term appears,

14 (B) by striking subsection (c), and

15 (C) by redesignating subsections (d) and
16 (e) as subsections (c) and (d), respectively.

17 (62) Section 501(c)(9) is amended by striking
18 “section 152(f)(1)” and inserting “section
19 7706(f)(1)”.

20 (63) Section 529(e)(2)(B) is amended by strik-
21 ing “section 152(d)(2)” and inserting “section
22 7706(d)(2)”.

23 (64) Section 529A(e)(4) is amended—

24 (A) by striking “section 152(d)(2)(B)” and
25 inserting “section 7706(d)(2)(B)”, and

1 (B) by striking “section 152(f)(1)(B)” and
2 inserting “section 7706(f)(1)(B)”.

3 (65) Section 643(a)(2) is amended—

4 (A) by striking “(relating to deduction for
5 personal exemptions)” and inserting “(relating
6 to basic deduction)”, and

7 (B) by striking “DEDUCTION FOR PER-
8 SONAL EXEMPTION” in the heading thereof and
9 inserting “BASIC DEDUCTION”.

10 (66) Section 703(a)(2) is amended by striking
11 subparagraph (A) and by redesignating subpara-
12 graphs (B) through (F) as subparagraphs (A)
13 through (E), respectively.

14 (67) Section 874 is amended by striking sub-
15 section (b) and by redesignating subsection (c) as
16 subsection (b).

17 (68) Section 891 is amended by striking “under
18 section 151 and”.

19 (69) Section 904(b)(1) is amended to read as
20 follows:

21 “(1) DEDUCTION FOR ESTATES AND TRUSTS.—
22 For purposes of subsection (a), the taxable income
23 of an estate or trust shall be computed without any
24 deduction under section 642(b).”.

1 (70) Section 931(b)(1) is amended to read as
2 follows:

3 “(1) any deduction from gross income, or”.

4 (71) Section 933 is amended—

5 (A) by striking “as a deduction from his
6 gross income any deductions (other than the de-
7 duction under section 151, relating to personal
8 exemptions)” in paragraph (1) and inserting
9 “any deduction from gross income”, and

10 (B) by striking “as a deduction from his
11 gross income any deductions (other than the de-
12 duction for personal exemptions under section
13 151)” in paragraph (2) and inserting “any de-
14 duction from gross income”.

15 (72) Section 1212(b)(2)(B)(ii) is amended to
16 read as follows:

17 “(ii) in the case of an estate or trust,
18 the deduction allowed for such year under
19 section 642(b).”.

20 (73) Section 1361(c)(1)(C) is amended by strik-
21 ing “section 152(f)(1)(C)” and inserting “section
22 7706(f)(1)(C)”.

23 (74) Section 1402(a) is amended by striking
24 paragraph (7).

1 (75) Section 2032A(c)(7)(D) is amended by
2 striking “section 152(f)(2)” and inserting “section
3 7706(f)(2)”.

4 (76) Section 3402(f)(1)(A) is amended by strik-
5 ing “for whom a deduction is allowable with respect
6 to another taxpayer under section 151” and insert-
7 ing “who is a dependent of another taxpayer”.

8 (77) Section 3402(m)(1) is amended by striking
9 “other than the deductions referred to in section
10 151 and”.

11 (78) Section 3402(m)(3) is amended by striking
12 “section 63(c)(3)” and inserting “section 63(f)”.

13 (79) Section 3402(r)(2) is amended by striking
14 “the sum of—” and all that follows and inserting
15 “the basic standard deduction (as defined in section
16 63(c)) for an individual to whom section 63(c)(2)(C)
17 applies.”.

18 (80) Section 5000A(b)(3)(A) is amended by
19 striking “section 152” and inserting “section 7706”.

20 (81) Section 5000A(c)(4)(A) is amended by
21 striking “the number of individuals for whom the
22 taxpayer is allowed a deduction under section 151
23 (relating to allowance of deduction for personal ex-
24 emptions) for the taxable year” and inserting “the
25 sum of 1 (2 in the case of a joint return) plus the

1 number of the taxpayer’s dependents for the taxable
2 year”.

3 (82) Section 6013(b)(3)(A) is amended—

4 (A) by striking “had less than the exemp-
5 tion amount of gross income” in clause (ii) and
6 inserting “had no gross income”,

7 (B) by striking “had gross income of the
8 exemption amount or more” in clause (iii) and
9 inserting “had any gross income”, and

10 (C) by striking the flush language fol-
11 lowing clause (iii).

12 (83) Section 6014(a) is amended by striking
13 “section 6012(a)(1)(C)(i)” and inserting “section
14 6012(a)(1)(B)(iii)”.

15 (84) Section 6014(b)(4) is amended by striking
16 “63(c)(5)” and inserting “63(c)(4)”.

17 (85) Section 6103(l)(13) is amended—

18 (A) in subparagraph (A), by striking
19 clause (iv) and redesignating clauses (v) and
20 (vi) as clauses (iv) and (v), respectively, and

21 (B) in subparagraph (C)(i), by striking
22 “clauses (i) through (iv)” and inserting
23 “clauses (i) through (iii)”.

24 (86) Section 6103(l)(21)(A)(iii) is amended to
25 read as follows:

1 “(iii) the number of the taxpayer’s de-
 2 pendants,”.

3 (87) Section 6213(g)(2)(H) is amended by
 4 striking “section 21 (relating to expenses for house-
 5 hold and dependent care services necessary for gain-
 6 ful employment) or section 151 (relating to allow-
 7 ance of deductions for personal exemptions)” and in-
 8 serting “subsection (a)(1)(B), (b)(1)(A)(ii), or
 9 (b)(1)(B) of section 2 or section 21, 35(d)(1)(B),
 10 36B(b)(3)(B), or 63(f)(2)(B)”.

11 (88) Section 6334(d) is amended—

12 (A) by amending paragraph (2) to read as
 13 follows:

14 “(2) EXEMPT AMOUNT.—

15 “(A) IN GENERAL.—For purposes of para-
 16 graph (1), the term ‘exempt amount’ means an
 17 amount equal to—

18 “(i) the sum of the amount deter-
 19 mined under subparagraph (B) and the
 20 standard deduction, divided by

21 “(ii) 52.

22 “(B) AMOUNT DETERMINED.—For pur-
 23 poses of subparagraph (A), the amount deter-
 24 mined under this subparagraph is—

1 “(i) the dollar amount in effect under
2 section 7706(d)(1)(B), multiplied by

3 “(ii) the number of the taxpayer’s de-
4 pendents for the taxable year in which the
5 levy occurs.

6 “(C) VERIFIED STATEMENT.—Unless the
7 taxpayer submits to the Secretary a written and
8 properly verified statement specifying the facts
9 necessary to determine the proper amount
10 under subparagraph (A), subparagraph (A)
11 shall be applied as if the taxpayer were a mar-
12 ried individual filing a separate return with no
13 dependents.”, and

14 (B) by striking paragraph (4).

15 (89) Section 7702B(f)(2)(C)(iii) is amended by
16 striking “section 152(d)(2)” and inserting “section
17 7706(d)(2)”.

18 (90) Section 7703(a) is amended by striking
19 “part V of subchapter B of chapter 1 and”.

20 (91) Section 7703(b)(1) is amended by striking
21 “section 152(f)(1))” and all that follows and insert-
22 ing “section 7706(f)(1)) who is a dependent of such
23 individual for the taxable year (or would be but for
24 section 7706(e)),”.

1 (92) Section 7706(a), as redesignated by this
 2 section, is amended by striking “this subtitle” and
 3 inserting “this title”.

4 (93)(A) Section 7706(d)(1)(B), as redesignated
 5 by this section, is amended by striking “the exemp-
 6 tion amount (as defined in section 151(d))” and in-
 7 serting “\$4,150”.

8 (B) Section 7706(d), as redesignated by this
 9 section, is amended by adding at the end the fol-
 10 lowing new paragraph:

11 “(6) INFLATION ADJUSTMENT.—The \$4,150
 12 amount in paragraph (1)(B) shall be increased by an
 13 amount equal to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
 16 mined under section 1(f)(3) for the calendar
 17 year in which such taxable year begins, deter-
 18 mined by substituting ‘calendar year 2017’ for
 19 ‘calendar year 2016’ in subparagraph (A)(ii)
 20 thereof.

21 If any increase determined under the preceding sen-
 22 tence is not a multiple of \$50, such increase shall
 23 be rounded to the next lowest multiple of \$50.”.

1 (94) Section 7706(e)(3), as redesignated by this
 2 section, is amended by inserting “(as in effect before
 3 its repeal)” after “section 151”.

4 (95) Section 7706(f)(6)(B), as redesignated by
 5 this section, is amended by striking clause (i) and
 6 designating clauses (ii), (iii), and (iv) as clauses (i),
 7 (ii), and (iii), respectively.

8 (96) The table of parts for subchapter B of
 9 chapter 1 is amended by striking the item relating
 10 to part V.

11 (97) The table of sections for chapter 79 is
 12 amended by adding at the end the following new
 13 item:

“Sec. 7706. Dependent defined.”.

14 (g) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to taxable years beginning after
 16 the date of the enactment of this Act.

Strike section 110008 and insert the following:

17 **SEC. 110008. LIMITATION ON DEDUCTION FOR QUALIFIED**
 18 **RESIDENCE INTEREST.**

19 (a) INTEREST ON HOME EQUITY INDEBTEDNESS.—
 20 Section 163(h)(3)(A) is amended by striking “during the
 21 taxable year on” and all that follows through “residence
 22 of the taxpayer.” and inserting “during the taxable year

1 on acquisition indebtedness with respect to any qualified
2 residence of the taxpayer.”.

3 (b) LIMITATION ON ACQUISITION INDEBTEDNESS.—
4 Section 163(h)(3)(B)(ii) is amended to read as follows:

5 “(ii) LIMITATION.—The aggregate
6 amount treated as acquisition indebtedness
7 for any period shall not exceed the excess
8 (if any) of—

9 “(I) \$750,000 (\$375,000, in the
10 case of a married individual filing a
11 separate return), over

12 “(II) the sum of the aggregate
13 outstanding pre-October 13, 1987, in-
14 debtedness (as defined in subpara-
15 graph (D)) plus the aggregate out-
16 standing pre-December 15, 2017, in-
17 debtedness (as defined in subpara-
18 graph (C)).”.

19 (c) TREATMENT OF INDEBTEDNESS INCURRED ON
20 OR BEFORE DECEMBER 15, 2017.—Section 163(h)(3)(C)
21 is amended to read as follows:

22 “(C) TREATMENT OF INDEBTEDNESS IN-
23 CURRED ON OR BEFORE DECEMBER 15, 2017.—

24 “(i) IN GENERAL.—In the case of any
25 pre-December 15, 2017, indebtedness, sub-

1 paragraph (B)(ii) shall not apply and the
2 aggregate amount of such indebtedness
3 treated as acquisition indebtedness for any
4 period shall not exceed the excess (if any)
5 of—

6 “(I) \$450,000 (\$225,000, in the
7 case of a married individual filing a
8 separate return), over

9 “(II) the aggregate outstanding
10 pre-October 13, 1987, indebtedness
11 (as defined in subparagraph (D)).

12 “(ii) PRE-DECEMBER 15, 2017, IN-
13 DEBTEDNESS.—For purposes of this sub-
14 paragraph—

15 “(I) IN GENERAL.—The term
16 ‘pre-December 15, 2017, indebted-
17 ness’ means indebtedness (other than
18 pre-October 13, 1987, indebtedness)
19 incurred on or before December 15,
20 2017.

21 “(II) BINDING WRITTEN CON-
22 TRACT EXCEPTION.—In the case of a
23 taxpayer who enters into a written
24 binding contract before December 15,
25 2017, to close on the purchase of a

principal residence before January 1, 2018, and who purchases such residence before April 1, 2018, the term ‘pre-December 15, 2017, indebtedness’ shall include indebtedness secured by such residence.

“(iii) REFINANCING INDEBTEDNESS.—

“(I) IN GENERAL.—In the case of any indebtedness which is incurred to refinance indebtedness, such refinanced indebtedness shall be treated for purposes of this subparagraph as incurred on the date that the original indebtedness was incurred to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness.

“(II) LIMITATION ON PERIOD OF REFINANCING.—Subclause (I) shall not apply to any indebtedness after the expiration of the term of the original indebtedness or, if the principal of such original indebtedness is not am-

1 ortized over its term, the expiration of
 2 the term of the 1st refinancing of
 3 such indebtedness (or if earlier, the
 4 date which is 30 years after the date
 5 of such 1st refinancing).”.

6 (d) COORDINATION WITH TREATMENT OF INDEBT-
 7 EDNESS INCURRED ON OR BEFORE OCTOBER 13, 1987.—
 8 Section 163(h)(3)(D) is amended—

9 (1) by striking clause (ii) and redesignating
 10 clauses (iii) and (iv) as clauses (ii) and (iii), respec-
 11 tively, and

12 (2) in clause (iii) (as so redesignated)—

13 (A) by striking “clause (iii)” in the matter
 14 preceding subclause (I) and inserting “clause
 15 (ii)”, and

16 (B) by striking “clause (iii)(I)” in sub-
 17 clauses (I) and (II) and inserting “clause
 18 (ii)(I)”.

19 (e) COORDINATION WITH EXCLUSION OF INCOME
 20 FROM DISCHARGE OF INDEBTEDNESS.—Section
 21 108(h)(2) is amended by striking “applied by substituting
 22 ‘\$750,000 (\$375,000’ for ‘\$450,000 (\$225,000’ in clause
 23 (ii) thereof and”.

24 (f) CONFORMING AMENDMENT.—Section 163(h)(3)
 25 is amended by striking subparagraph (F).

1 (g) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 the date of the enactment of this Act.

Strike section 110009 and insert the following:

4 **SEC. 110009. HIGH INCOME INDIVIDUALS LIMITED TO PER-**
 5 **SONAL CASUALTY LOSSES ATTRIBUTABLE TO**
 6 **FEDERALLY DECLARED DISASTERS.**

7 (a) LIMITATION APPLICABLE TO HIGH INCOME INDIVIDUALS.—Section 165(h)(5)(A) is amended by inserting
 8 “if the taxpayer’s modified adjusted gross income for any
 9 taxable year exceeds \$450,000 (\$225,000 in the case of
 10 a married individual filing a separate return),” after “In
 11 the case of an individual,”.

12 (b) MADE PERMANENT.—Section 165(h)(5)(A) is
 13 amended by striking “in a taxable year beginning after
 14 December 31, 2017, and before January 1, 2026,” and
 15 inserting “for such taxable year”.

16 (c) MODIFIED ADJUSTED GROSS INCOME.—Section
 17 165(h)(5) is amended by adding at the end the following
 18 new subparagraph:

19 “(C) MODIFIED ADJUSTED GROSS IN-
 20 COME.—For purposes of this paragraph, the
 21 term ‘modified adjusted gross income’ means
 22 the adjusted gross income of the taxpayer for
 23 the taxable year increased by any amount ex-
 24

1 cluded from gross income under section 911,
2 931, or 933.”.

3 (d) CONFORMING AMENDMENTS.—

4 (1) Section 165(h)(4)(C) is amended by strik-
5 ing “paragraph (2)” and inserting “paragraphs (2)
6 and (5)”.

7 (2) Section 165(h)(5) is amended by striking
8 “LIMITATION FOR TAXABLE YEARS 2018 THROUGH
9 2025” in the heading thereof and inserting “HIGH
10 INCOME INDIVIDUALS LIMITED TO LOSSES ATTRIB-
11 UTABLE TO FEDERALLY DECLARED DISASTERS”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to losses sustained in taxable years
14 beginning after December 31, 2025.

Strike section 110010 and insert the following:

15 **SEC. 110010. MISCELLANEOUS ITEMIZED DEDUCTIONS SUB-**
16 **JECT TO 2 PERCENT FLOOR OR DISALLOWED**
17 **FOR HIGH INCOME INDIVIDUALS.**

18 (a) IN GENERAL.—Section 67 is amended—

19 (1) by amending subsection (a) to read as fol-
20 lows:

21 “(a) IN GENERAL.—In the case of an individual—

22 “(1) if the taxpayer’s adjusted gross income for
23 any taxable year exceeds \$450,000 (\$225,000 in the
24 case of a married individual filing a separate re-

1 turn), miscellaneous itemized deductions shall not be
2 allowed for such taxable year, and

3 “(2) if paragraph (1) does not apply to the tax-
4 payer for the taxable year, the miscellaneous
5 itemized deductions for such taxable year shall be al-
6 lowed only to the extent that the aggregate of such
7 deductions exceeds 2 percent of adjusted gross in-
8 come.”, and

9 (2) by striking subsection (g).

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 67 is amended in the heading, by
12 striking “**2-PERCENT FLOOR ON**” and inserting
13 “**LIMITATION ON**”.

14 (2) The table of sections for part 1 of sub-
15 chapter B of chapter 1 is amended by striking the
16 item relating to section 67 and inserting the fol-
17 lowing new item:

“Sec. 67. Limitation on miscellaneous itemized deductions.”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2025.

Strike section 110011 and insert the following:

1 **SEC. 110011. OVERALL LIMITATION ON ITEMIZED DEDUC-**
 2 **TIONS APPLICABLE TO HIGH INCOME INDIVIDUALS.**
 3 **VIDUALS.**

4 (a) LIMITATION TO HIGH INCOME INDIVIDUALS.—
 5 Section 68(b) is amended to read as follows:

6 “(b) APPLICABLE AMOUNT.—For purposes of this
 7 section, the term ‘applicable amount’ means—

8 “(1) in the case of any taxpayer not described
 9 in paragraph (2), \$450,000, and

10 “(2) in the case of a married individual filing
 11 a separate return, \$500,000.”.

12 (b) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 December 31, 2025.

Strike section 110012 and insert the following:

15 **SEC. 110012. QUALIFIED BICYCLE COMMUTING REIM-**
 16 **BURSEMENT EXCLUSION NOT ALLOWED TO**
 17 **HIGH INCOME EMPLOYEES.**

18 (a) IN GENERAL.—Section 132(f)(8) is amended to
 19 read as follows:

20 “(8) QUALIFIED BICYCLE COMMUTING REIM-
 21 BURSEMENT EXCLUSION NOT ALLOWED TO HIGH IN-
 22 COME EMPLOYEES.—

23 “(A) IN GENERAL.—In the case of an em-
 24 ployee whose modified adjusted gross income

1 exceeds \$450,000 (\$225,000 in the case of a
 2 married individual filing a separate return) for
 3 any taxable year, paragraph (1)(D) shall not
 4 apply to such taxable year.

5 “(B) MODIFIED ADJUSTED GROSS IN-
 6 COME.—For purposes of this paragraph, the
 7 term ‘modified adjusted gross income’ means
 8 the adjusted gross income of the taxpayer for
 9 the taxable year increased by any amount ex-
 10 cluded from gross income under section 911,
 11 931, or 933.”.

12 (b) CONFORMING AMENDMENT.—Section 274(l)(2) is
 13 amended by striking “after December 31, 2017, and be-
 14 fore January 1, 2026” and insert “with respect to an em-
 15 ployee to which section 132(f)(1)(D) does not apply”.

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 2025.

Strike section 110013 and insert the following sec-
 tions:

1 **SEC. 110013. QUALIFIED MOVING EXPENSE REIMBURSE-**
2 **MENT EXCLUSION NOT ALLOWED TO HIGH**
3 **INCOME EMPLOYEES OTHER THAN CERTAIN**
4 **MEMBERS OF THE ARMED FORCES.**

5 (a) IN GENERAL.—Section 132(g)(2) is amended to
6 read as follows:

7 “(2) CERTAIN HIGH INCOME EMPLOYEES INELI-
8 GIBLE FOR EXCLUSION.—

9 “(A) IN GENERAL.—Subsection (a)(6)
10 shall not apply in the case of any employee if—

11 “(i) the modified adjusted gross in-
12 come of such employee for the taxable year
13 exceeds \$450,000 (\$225,000 in the case of
14 a married individual filing a separate re-
15 turn), and

16 “(ii) such employee is not a member
17 of the Armed Forces of the United State
18 on active duty who moves pursuant to a
19 military order and incident to a permanent
20 change of station.

21 “(B) MODIFIED ADJUSTED GROSS IN-
22 COME.—For purposes of this paragraph, the
23 term ‘modified adjusted gross income’ means
24 the adjusted gross income of the taxpayer for
25 the taxable year increased by any amount ex-

1 cluded from gross income under section 911,
2 931, or 933.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to taxable years beginning after
5 December 31, 2025.

6 **SEC. 110014. DEDUCTION FOR MOVING EXPENSES NOT AL-**
7 **LOWED TO HIGH INCOME EMPLOYEES OTHER**
8 **THAN CERTAIN MEMBERS OF THE ARMED**
9 **FORCES.**

10 (a) **IN GENERAL.**—Section 217(k) is amended to
11 read as follows:

12 “(k) **DEDUCTION NOT ALLOWED TO HIGH INCOME**
13 **EMPLOYEES OTHER THAN CERTAIN MEMBERS OF THE**
14 **ARMED FORCES.**—

15 “(1) **IN GENERAL.**—This section shall not apply
16 to any individual if—

17 “(A) the taxpayer’s modified adjusted
18 gross income for the taxable year exceeds
19 \$450,000 (\$225,000 in the case of a married
20 individual filing a separate return), and

21 “(B) such individual is not a member of
22 the Armed Forces of the United State on active
23 duty who moves pursuant to a military order
24 and incident to a permanent change of station.

1 “(2) MODIFIED ADJUSTED GROSS INCOME.—
 2 For purposes of this subsection, the term ‘modified
 3 adjusted gross income’ means the adjusted gross in-
 4 come of the taxpayer for the taxable year increased
 5 by any amount excluded from gross income under
 6 section 911, 931, or 933.”.

7 (b) EFFECTIVE DATE.—The amendment made by
 8 this section shall apply to taxable years beginning after
 9 December 31, 2025.

Strike section 110014 and insert the following:

10 **SEC. 110014. LIMITATION ON WAGERING LOSSES.**

11 (a) IN GENERAL.—Section 165(d) is amended by
 12 striking “in the case of taxable years beginning after De-
 13 cember 31, 2017, and before January 1, 2026,”.

14 (b) EFFECTIVE DATE.—The amendment made by
 15 this section shall apply to taxable years beginning after
 16 the date of the enactment of this Act.

Strike section 110007 and insert the following:

17 **SEC. 110007. INCREASED EXEMPTION FOR INDIVIDUALS.**

18 (a) IN GENERAL.—Section 55(d)(1) is amended—

19 (1) by striking “\$78,750” in subparagraph (A)
 20 and inserting “\$109,400”, and

21 (2) by striking “\$50,600” in subparagraph (B)
 22 and inserting “\$70,300”.

1 (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section
2 55(d)(2) is amended—

3 (1) by striking “\$150,000” in subparagraph
4 (A) and inserting “\$450,000”, and

5 (2) by striking subparagraphs (B) and (C) and
6 by inserting the following new subparagraphs:

7 “(B) 50 percent of the dollar amount ap-
8 plicable under subparagraph (A) in the case of
9 a taxpayer described in paragraph (1)(B) or
10 (1)(C), and

11 “(C) \$75,000 in the case of a taxpayer de-
12 scribed in paragraph (1)(D).”.

13 (c) INFLATION ADJUSTMENT.—Section 55(d)(3) is
14 amended to read as follows:

15 “(3) INFLATION ADJUSTMENT.—Each dollar
16 amount described in clause (i) or (ii) of subpara-
17 graph (B) shall be increased by an amount equal
18 to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins, deter-
23 mined by substituting—

24 “(i) in the case of a dollar amount
25 contained in paragraph (1)(D) or (2)(C) or

1 in subsection (b)(1)(A), ‘calendar year
 2 2011’ for ‘calendar year 2016’ in subpara-
 3 graph (A)(ii) thereof, and

4 “(ii) in the case of a dollar amount
 5 contained in paragraph (1)(A), (1)(B), or
 6 (2)(A), ‘calendar year 2017’ for ‘calendar
 7 year 2016’ in subparagraph (A)(ii) thereof.

8 Any increased amount determined under this para-
 9 graph shall be rounded to the nearest multiple of
 10 \$100 (\$50 in the case of the dollar amount con-
 11 tained in paragraph (2)(C)).”.

12 (d) REPEAL OF COORDINATION WITH RULES RELAT-
 13 ING TO THE TAXATION OF UNEARNED CHILDREN.—Sec-
 14 tion 59 is amended by striking subsection (j).

15 (e) CONFORMING AMENDMENT.—Section 55(d) is
 16 amended by striking paragraph (4).

17 (f) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to taxable years beginning after
 19 the date of the enactment of this Act.

