

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5600

To amend the Internal Revenue Code of 1986 to reduce the earned income threshold applicable to the refundable portion of the child tax credit, to increase the age limit for such credit, and to impose an individual income tax surcharge.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2006

Mr. PASCARELL (for himself, Mr. DOYLE, Mr. KUCINICH, Mr. BISHOP of Georgia, Ms. JACKSON-LEE of Texas, Mr. CONYERS, Mr. CLEAVER, and Mr. WYNN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to reduce the earned income threshold applicable to the refundable portion of the child tax credit, to increase the age limit for such credit, and to impose an individual income tax surcharge.

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 “Child Tax Credit  
5 Growth Act of 2006”.

1 **SEC. 2. REDUCTION IN EARNED INCOME THRESHOLD AP-**  
2 **PLICABLE TO REFUNDABLE PORTION OF**  
3 **CHILD TAX CREDIT.**

4 (a) REDUCTION IN EARNED INCOME THRESHOLD.—  
5 Subsection (d)(1)(B)(i) of section 24 of the Internal Rev-  
6 enue Code of 1986 (relating to portion of credit refund-  
7 able) is amended by striking “\$10,000” and inserting  
8 “\$5,000”.

9 (b) REPEAL OF INFLATION ADJUSTMENT.—Sub-  
10 section (d) of such section of such Code is amended by  
11 striking paragraph (3).

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 December 31, 2006.

15 **SEC. 3. INCREASE IN AGE LIMIT FOR CHILD TAX CREDIT.**

16 (a) IN GENERAL.—Paragraph (1) of section 24(c) of  
17 the Internal Revenue Code of 1986 (defining qualifying  
18 child) is amended by striking “age 17” and inserting “age  
19 19”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 subsection (a) shall apply to taxable years beginning after  
22 December 31, 2006.

23 **SEC. 4. IMPOSITION OF INDIVIDUAL INCOME TAX SUR-**  
24 **CHARGE.**

25 (a) IMPOSITION OF TAX.—Section 1 of the Internal  
26 Revenue Code of 1986 (relating to imposition of tax on

1 individuals) is amended by adding at the end the following  
2 new subsection:

3 “(j) ADDITIONAL INCOME TAX.—

4 “(1) IN GENERAL.—If the adjusted gross in-  
5 come of an individual exceeds the threshold amount,  
6 the tax imposed by this section (determined without  
7 regard to this subsection) shall be increased by an  
8 amount equal to 0.9 percent of so much of the ad-  
9 justed gross income as exceeds the threshold  
10 amount.

11 “(2) THRESHOLD AMOUNT.—For purposes of  
12 this subsection, the term ‘threshold amount’ means  
13 \$1,000,000.

14 “(3) TAX NOT TO APPLY TO ESTATES AND  
15 TRUSTS.—This subsection shall not apply to an es-  
16 tate or trust.”.

17 (b) COORDINATION WITH MINIMUM TAX.—Section  
18 55(c) of the Internal Revenue Code of 1986 (defining reg-  
19 ular tax) is amended by redesignating paragraph (3) as  
20 paragraph (4) and by inserting after paragraph (2) the  
21 following new paragraph:

22 “(3) COORDINATION WITH IMPOSITION OF INDI-  
23 VIDUAL INCOME TAX SURCHARGE.—Solely for pur-  
24 poses of this section, section 1(j) shall not apply in  
25 computing the regular tax.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2006.

4       (d) SECTION 15 NOT TO APPLY.—The amendment  
5 made by subsection (a) shall not be treated as a change  
6 in a rate of tax for purposes of section 15 of the Internal  
7 Revenue Code of 1986.

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