

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 172

To amend the Internal Revenue Code of 1986 to restore the deduction for two-earner married couples.

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IN THE HOUSE OF REPRESENTATIVES

JANUARYY 5, 1993

Mr. DUNCAN 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 restore the deduction for two-earner married couples.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) part VII of subchapter B of chapter 1 of the  
4       Internal Revenue Code of 1986 (relating to additional  
5       itemized deductions for individuals) is amended by redess-  
6       ignating section 220 as section 221 and by inserting after  
7       section 219 the following new section:

1 **“SEC. 220. DEDUCTION FOR TWO-EARNER MARRIED COU-**  
2 **PLES.**

3 “(a) DEDUCTION ALLOWED.—In the case of a joint  
4 return under section 6013 for the taxable year, there shall  
5 be allowed as a deduction an amount equal to 10 percent  
6 of the lesser of—

7 “(1) \$30,000, or

8 “(2) the qualified earned income of the spouse  
9 with the lower qualified earned income for such tax-  
10 able year.

11 “(b) PHASEOUT.—The amount allowed as a deduc-  
12 tion under subsection (a) shall be reduced (but not below  
13 zero) by 12 percent of so much of the adjusted gross in-  
14 come of the taxpayer for the taxable year (determined  
15 without regard to this section) as exceeds \$75,000.

16 “(c) QUALIFIED EARNED INCOME DEFINED.—

17 “(1) IN GENERAL.—For purposes of this sec-  
18 tion, the term ‘qualified earned income’ means an  
19 amount equal to the excess of—

20 “(A) the earned income of the spouse for  
21 the taxable year, over

22 “(B) an amount equal to the sum of the  
23 deductions described in paragraphs (1), (2),  
24 (6), (7), (11), and (13) of section 62(a) to the  
25 extent such deductions are properly allocable to

1 or chargeable against earned income described  
2 in subparagraph (A).

3 The amount of qualified earned income shall be de-  
4 termined without regard to any community property  
5 laws.

6 “(2) EARNED INCOME.—For purposes of para-  
7 graph (1), the term ‘earned income’ means income  
8 which is earned income within the meaning of sec-  
9 tion 911(d)(2) or 401(c)(2)(C), except that—

10 “(A) such term shall not include any  
11 amount—

12 “(i) not includible in gross income,

13 “(ii) received as a pension or annuity,

14 “(iii) paid or distributed out of an in-  
15 dividual retirement plan (within the mean-  
16 ing of section 7701(a)(37)),

17 “(iv) received as deferred compensa-  
18 tion, or

19 “(v) received for services performed  
20 by an individual in the employ of his  
21 spouse (within the meaning of section  
22 3121(b)(3)(A)), and

23 “(B) section 911(d)(2)(B) shall be applied  
24 without regard to the phrase ‘not in excess of

1           30 percent of his share of net profits of such  
2           trade or business’.

3           “(d) DEDUCTION DISALLOWED FOR INDIVIDUAL  
4 CLAIMING BENEFITS OF SECTION 911 OR 931.—No de-  
5 duction shall be allowed under this section for any taxable  
6 year if either spouse claims the benefits of section 911  
7 or 931 for such taxable year.”

8           (b)(1) Subsection (a) of section 62 of such Code (de-  
9 fining adjusted gross income) is amended by inserting  
10 after paragraph (13) the following new paragraph:

11           “(14) DEDUCTION FOR TWO-EARNER MARRIED  
12 COUPLES.—The deduction allowed by section 220.”

13           (2) Subparagraph (A) of section 86(b)(2) of such  
14 Code is amended by inserting “220,” after “135,”.

15           (3) Subsection (f) of section 86 of such Code is  
16 amended by striking “and” at the end of paragraph (3),  
17 by adding “and” at the end of paragraph (4), and by in-  
18 serting at the end of paragraph (4) the following new  
19 paragraph:

20           “(5) section 220(c)(2) (defining earned in-  
21 come),”.

22           (4) The table of sections for part VII of subchapter  
23 B of chapter 1 of such Code is amended by striking the  
24 item relating to section 220 and inserting the following:

“Sec. 220. Deduction for two-earner married couples.  
“Sec. 221. Cross reference.”

1       (c) The amendments made by this section shall apply  
2 to taxable years beginning after December 31, 1991.

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