

107TH CONGRESS
1ST SESSION

H. R. 2999

To amend the Internal Revenue Code of 1986 to modify the highest marginal income tax rates and to increase the estate tax deduction for family-owned business interests, to repeal certain sections of the Economic Growth and Tax Relief Reconciliation Act of 2001 related to personal exemptions, itemized deductions, and the estate tax, to establish a legislative task force to determine when and whether certain critical national priorities have been accomplished, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2001

Ms. SCHAKOWSKY (for herself, Ms. LEE, Mr. SANDERS, Mr. LAFALCE, Ms. WOOLSEY, Mr. WAXMAN, Ms. SOLIS, Mr. DAVIS of Illinois, Mr. JACKSON of Illinois, Mr. OWENS, Mr. HINCHEY, Mr. RUSH, Mr. KUCINICH, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to modify the highest marginal income tax rates and to increase the estate tax deduction for family-owned business interests, to repeal certain sections of the Economic Growth and Tax Relief Reconciliation Act of 2001 related to personal exemptions, itemized deductions, and the estate tax, to establish a legislative task force to determine when and whether certain critical national priorities have been accomplished, and for other purposes.

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 “First Things First
5 Act”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to delay the implementa-
8 tion of certain amendments to the Internal Revenue Code
9 of 1986 until a legislative task force has certified the
10 achievement of each of the following critical national prior-
11 ities:

12 (1) The provision of aid and relief to persons
13 physically or economically injured as a result of the
14 terrorist acts against the United States that oc-
15 curred on September 11, 2001.

16 (2) The security of the Social Security and
17 Medicare trust funds.

18 (3) The provision of a comprehensive prescrip-
19 tion drug benefit to Medicare beneficiaries.

20 (4) The provision of Federal funding for a
21 major school modernization effort and the hiring of
22 100,000 teachers.

23 (5) A significant reduction since 2001 in the
24 number of United States citizens who face worst
25 case housing needs.

1 **SEC. 3. MODIFICATION OF THE HIGHEST MARGINAL IN-**
 2 **COME TAX RATES.**

3 (a) IN GENERAL.—Paragraph (2) of section 1(i) of
 4 the Internal Revenue Code of 1986 (relating to reductions
 5 in rates after June 30, 2001) is amended by striking the
 6 table and inserting the following:

“In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:			
	28%	31%	36%	39.6%
2001	27.5%	30.5%	35.5%	39.1%
2002 and 2003	27.0%	30.5%	35.5%	39.6%
2004 and 2005	26.0%	30.5%	35.5%	39.6%
2006 and thereafter	25.0%	30.5%	35.5%	39.6%”.

7 (b) EFFECTIVE DATE.—The amendment made by
 8 subsection (a) shall apply to taxable years beginning after
 9 December 31, 2000.

10 **SEC. 4. REPEAL OF PHASEOUT OF OVERALL LIMITATION**
 11 **ON ITEMIZED DEDUCTIONS AND OF TERMI-**
 12 **NATION OF PHASEOUT OF PERSONAL EXEMP-**
 13 **TIONS.**

14 Sections 102 and 103 of the Economic Growth and
 15 Tax Relief Reconciliation Act of 2001 (and the amend-
 16 ments made by such sections) are hereby repealed, and
 17 the Internal Revenue Code of 1986 shall be applied and
 18 administered as if such sections (and amendments) had
 19 never been enacted.

1 **SEC. 5. REPEAL OF THE TERMINATION OF THE ESTATE**
2 **AND GENERATION-SKIPPING TRANSFER**
3 **TAXES AND STEP-UP IN BASIS AT DEATH, AND**
4 **RELATED REPEALS.**

5 Subtitles A, B, C, D, and E of title V of the Economic
6 Growth and Tax Relief Reconciliation Act of 2001 (and
7 the amendments made by such subtitles) are hereby re-
8 pealed, and the Internal Revenue Code of 1986 shall be
9 applied and administered as if such subtitles (and amend-
10 ments) had never been enacted.

11 **SEC. 6. INCREASE IN THE ESTATE TAX DEDUCTION FOR**
12 **FAMILY-OWNED BUSINESS INTEREST.**

13 (a) **IN GENERAL.**—Paragraph (2) of section 2057(a)
14 of the Internal Revenue Code of 1986 (relating to max-
15 imum deduction) is amended by striking “\$675,000” and
16 inserting “\$4,000,000”.

17 (b) **CONFORMING AMENDMENTS.**—Subparagraph (B)
18 of section 2057(a)(3) of the Internal Revenue Code of
19 1986 (relating to coordination with unified credit) is
20 amended by striking “\$675,000” each place it appears in
21 the text and heading and inserting “\$4,000,000”.

22 (c) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply to estates of decedents dying after
24 the date of the enactment of this Act.

1 **SEC. 7. NATIONAL PRIORITIES ASSESSMENT TASK FORCE.**

2 (a) ESTABLISHMENT.—There is established in the
3 legislative branch a task force to be known as the “Na-
4 tional Priorities Assessment Task Force” (in this section
5 referred to as the “Task Force”).

6 (b) DUTIES.—The Task Force shall determine when
7 and whether Congress has achieved each of the following:

8 (1) The provision of aid and relief to persons
9 physically or economically injured as a result of the
10 terrorist acts against the United States that oc-
11 curred on September 11, 2001.

12 (2) The security of the Social Security and
13 Medicare trust funds.

14 (3) The provision of a comprehensive prescrip-
15 tion drug benefit to Medicare beneficiaries.

16 (4) The provision of Federal funding for a
17 major school modernization effort and the hiring of
18 100,000 teachers.

19 (5) A significant reduction since 2001 in the
20 number of United States citizens who face worst
21 case housing needs.

22 (c) MEMBERSHIP.—The Task Force shall be com-
23 posed of 16 members as follows:

24 (1) The chairperson and the ranking minority
25 member of the Committee on the Budget of the
26 House of Representatives.

1 (2) The chairperson and the ranking minority
2 member of the Committee on Energy and Commerce
3 of the House of Representatives.

4 (3) The chairperson and the ranking minority
5 member of the Committee on Education and the
6 Workforce of the House of Representatives.

7 (4) The chairperson and the ranking minority
8 member of the Committee on Ways and Means of
9 the House of Representatives.

10 (5) The chairperson and the ranking minority
11 member of the Committee on the Budget of the Sen-
12 ate.

13 (6) The chairperson and the ranking minority
14 member of the Committee on Banking, Housing,
15 and Urban Affairs of the Senate.

16 (7) The chairperson and the ranking minority
17 member of the Committee on Health, Education,
18 Labor and Pensions of the Senate.

19 (8) The chairperson and the ranking minority
20 member of the Committee on Finance of the Senate.

21 (d) FINAL REPORT.—

22 (1) IN GENERAL.—The Task Force shall trans-
23 mit a final report to Congress not later than 30 days
24 after the date on which the Task Force makes the
25 determinations described in subsection (b). The final

1 report shall contain a detailed statement of the find-
2 ings and conclusions on which the determinations of
3 the Task Force under subsection (b) are based.

4 (2) REQUIRED DETERMINATIONS.—The Task
5 Force shall not transmit a final report under para-
6 graph (1) until the Task Force has made the deter-
7 minations described in subsection (b).

8 (e) INTERIM REPORTS.—The Task Force may submit
9 to Congress interim reports as the Task Force considers
10 appropriate.

11 (f) ADMINISTRATION.—

12 (1) PAY.—Members of the Task Force shall
13 serve without pay.

14 (2) QUORUM.—9 members of the Task Force
15 shall constitute a quorum.

16 (3) CHAIRPERSON; VICE CHAIRPERSON.—The
17 Chairperson and Vice Chairperson of the Task Force
18 shall be elected by the members.

19 (4) MEETINGS.—The Task Force shall meet at
20 the call of the Chairperson or a majority of its mem-
21 bers.

22 (g) POWERS OF THE TASK FORCE.—

23 (1) HEARINGS.—The Task Force may, for the
24 purpose of carrying out this section, hold hearings,
25 sit and act at times and places, take testimony, and

1 receive evidence as the Task Force considers appro-
2 priate.

3 (2) OBTAINING OFFICIAL DATA.—The Task
4 Force may secure directly from any department or
5 agency of the United States information necessary
6 to enable it to carry out this section. Upon request
7 of the Chairperson of the Task Force, the head of
8 that department or agency shall furnish that infor-
9 mation to the Task Force.

10 (h) FUNDING.—

11 (1) IN GENERAL.—No funds may be provided
12 to the Task Force.

13 (2) AVAILABILITY OF COMMITTEE FUNDS.—
14 Notwithstanding paragraph (1), any committee de-
15 scribed in subsection (c) may make funds available
16 for the activities of a member of the Task Force to
17 carry out this section if such member of the Task
18 Force is also a member of such committee.

19 (i) TERMINATION.—The Task Force shall terminate
20 30 days after transmitting its final report under sub-
21 section (d).

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