

107TH CONGRESS  
1ST SESSION

# H. R. 6

To amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing for adjustments to the standard deduction, 15-percent rate bracket, and earned income credit and to allow the nonrefundable personal credits against regular and minimum tax liability.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2001

Mr. WELLER (for himself, Mr. BARCIA, Mrs. CAPITO, Mr. KERNS, Mr. ADERHOLT, Mr. AKIN, Mr. ARMEY, Mr. BAIRD, Mr. BAKER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mr. BACHUS, Mr. BEREUTER, Ms. BERKLEY, Mrs. BIGGERT, Mr. BILIRAKIS, Mr. BISHOP, Mr. BLUNT, Mr. BOEHNER, Mr. BOEHLERT, Mr. BONILLA, Mrs. BONO, Mr. BRADY of Texas, Mr. BROWN of South Carolina, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CANNON, Mr. CANTOR, Mr. CHABOT, Mr. CHAMBLISS, Mr. COBLE, Mr. COLLINS, Mrs. CUBIN, Mr. COMBEST, Mr. COOKSEY, Mr. COX, Mr. CRANE, Mr. CRENSHAW, Mr. CULBERSON, Mr. CUNNINGHAM, Mrs. JO ANN DAVIS of Virginia, Mr. DEAL of Georgia, Mr. DEMINT, Mr. DIAZ-BALART, Mr. DREIER, Mr. DUNCAN, Ms. DUNN, Mr. EHLERS, Mr. ISAKSON, Mr. EHRlich, Mr. ENGLISH, Mrs. EMERSON, Mr. EVERETT, Mr. FERGUSON, Mr. FLAKE, Mr. FLETCHER, Mr. FOLEY, Mr. FOSSELLA, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GEKAS, Mr. GANSKE, Mr. GIBBONS, Mr. GILCHREST, Mr. GILMAN, Mr. GOODE, Mr. GOODLATTE, Mr. GORDON, Mr. GOSS, Mr. GRAHAM, Ms. GRANGER, Mr. GRAVES, Mr. GREEN of Wisconsin, Mr. GREENWOOD, Mr. GRUCCI, Mr. GUTKNECHT, Mr. HANSEN, Ms. HART, Mr. HASTINGS of Washington, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HILLEARY, Mr. HOBSON, Mr. HOEKSTRA, Mr. HOLT, Mr. HORN, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HULSHOF, Mr. HUNTER, Mr. HUTCHINSON, Mr. HYDE, Mr. ISSA, Mr. ISTOOK, Mr. JENKINS, Mrs. JOHNSON of Connecticut, Mr. SAM JOHNSON of Texas, Mr. JOHNSON of Illinois, Mr. JONES of North Carolina, Mr. KELLER, Mrs. KELLY, Mr. KENNEDY of Minnesota, Mr. KNOLLENBERG, Mr. KING, Mr. KINGSTON, Mr. KIRK, Mr. KOLBE, Mr. LARGENT, Mr. LATHAM, Mr. LAHOOD, Mr. LATOURETTE, Mr. LEACH, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LIPINSKI, Mr. LOBIONDO, Mr. LUCAS of Oklahoma, Mr. MALONEY of Connecticut, Mr. MANZULLO, Mrs. MCCARTHY of New York, Mr.

McCRERY, Mr. LARSEN of Washington, Mr. McHUGH, Mr. McINNIS, Mr. McINTYRE, Mr. McKEON, Mr. MICA, Mr. MILLER of Florida, Mr. GARY MILLER of California, Mr. MORAN of Kansas, Mrs. MYRICK, Mr. NEY, Mr. NETHERCUTT, Mrs. NORTHUP, Mr. NORWOOD, Mr. NUSSLE, Mr. OSBORNE, Mr. OSE, Mr. OTTER, Mr. OXLEY, Mr. PAUL, Mr. PENCE, Mr. PETERSON of Pennsylvania, Mr. PETRI, Mr. PICKERING, Mr. PITTS, Mr. PLATTS, Mr. POMBO, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. PUTNAM, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. REGULA, Mr. REHBERG, Mr. REYNOLDS, Mr. RILEY, Mrs. ROUKEMA, Mr. ROEMER, Mr. ROGERS of Kentucky, Mr. ROGERS of Michigan, Mr. ROHRBACHER, Mr. ROYCE, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SCARBOROUGH, Mr. SANDLIN, Mr. SCHAFFER, Mr. SCHROCK, Mr. SENSENBRENNER, Mr. SESSIONS, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SHERWOOD, Mr. SHIMKUS, Mr. SHOWS, Mr. SIMMONS, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SIMPSON, Mr. SOUDER, Mr. SPENCE, Mr. STEARNS, Mr. STUMP, Mr. SUNUNU, Mr. SWEENEY, Mr. TAUZIN, Mr. TANCREDO, Mr. TAYLOR of North Carolina, Mr. TERRY, Mr. THUNE, Mr. TIAHRT, Mr. TIBERI, Mr. TOOMEY, Mr. UPTON, Mr. VITTER, Mr. WAMP, Mr. WALDEN of Oregon, Mr. WATKINS, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, Mr. WHITFIELD, Mr. WICKER, Mrs. WILSON, Mr. WOLF, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. WALSH, Mr. THORNBERRY, and Mr. CONDIT) 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 marriage penalty by providing for adjustments to the standard deduction, 15-percent rate bracket, and earned income credit and to allow the nonrefundable personal credits against regular and minimum tax liability.

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       (a) SHORT TITLE.—This Act may be cited as the  
 5       “Marriage Tax Elimination Act of 2001”.

1 (b) SECTION 15 NOT TO APPLY.—No amendment  
2 made by this Act shall be treated as a change in a rate  
3 of tax for purposes of section 15 of the Internal Revenue  
4 Code of 1986.

5 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**  
6 **ARD DEDUCTION.**

7 (a) IN GENERAL.—Paragraph (2) of section 63(c) of  
8 the Internal Revenue Code of 1986 (relating to standard  
9 deduction) is amended—

10 (1) by striking “\$5,000” in subparagraph (A)  
11 and inserting “200 percent of the dollar amount in  
12 effect under subparagraph (C) for the taxable year”;

13 (2) by adding “or” at the end of subparagraph  
14 (B);

15 (3) by striking “in the case of” and all that fol-  
16 lows in subparagraph (C) and inserting “in any  
17 other case.”; and

18 (4) by striking subparagraph (D).

19 (b) TECHNICAL AMENDMENTS.—

20 (1) Subparagraph (B) of section 1(f)(6) of such  
21 Code is amended by striking “(other than with” and  
22 all that follows through “shall be applied” and in-  
23 serting “(other than with respect to sections  
24 63(c)(4) and 151(d)(4)(A)) shall be applied”.

1           (2) Paragraph (4) of section 63(c) of such Code  
2           is amended by adding at the end the following flush  
3           sentence:

4           “‘The preceding sentence shall not apply to the  
5           amount referred to in paragraph (2)(A).’”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7           this section shall apply to taxable years beginning after  
8           December 31, 2000.

9           **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**  
10           **BRACKET.**

11           (a) IN GENERAL.—Subsection (f) of section 1 of the  
12           Internal Revenue Code of 1986 (relating to adjustments  
13           in tax tables so that inflation will not result in tax in-  
14           creases) is amended by adding at the end the following  
15           new paragraph:

16                   “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-  
17           PERCENT BRACKET.—

18                           “(A) IN GENERAL.—With respect to tax-  
19           able years beginning after December 31, 2000,  
20           in prescribing the tables under paragraph (1)—

21                                   “(i) the maximum taxable income in  
22           the lowest rate bracket in the table con-  
23           tained in subsection (a) (and the minimum  
24           taxable income in the next higher taxable  
25           income bracket in such table) shall be the

1 applicable percentage of the maximum tax-  
 2 able income in the lowest rate bracket in  
 3 the table contained in subsection (c) (after  
 4 any other adjustment under this sub-  
 5 section), and

6 “(ii) the comparable taxable income  
 7 amounts in the table contained in sub-  
 8 section (d) shall be  $\frac{1}{2}$  of the amounts de-  
 9 termined under clause (i).

10 “(B) APPLICABLE PERCENTAGE.—For  
 11 purposes of subparagraph (A), the applicable  
 12 percentage shall be determined in accordance  
 13 with the following table:

<b>“For taxable years beginning in calendar year—</b>	<b>The applicable percentage is—</b>
2001 .....	170
2002 .....	173
2003 .....	178
2004 .....	183
2005 and thereafter .....	200.

14 “(C) ROUNDING.—If any amount deter-  
 15 mined under subparagraph (A)(i) is not a mul-  
 16 tiple of \$50, such amount shall be rounded to  
 17 the next lowest multiple of \$50.”.

18 (b) TECHNICAL AMENDMENTS.—

19 (1) Subparagraph (A) of section 1(f)(2) of such  
 20 Code is amended by inserting “except as provided in  
 21 paragraph (8),” before “by increasing”.

1           (2) The heading for subsection (f) of section 1  
2 of such Code is amended by inserting “PHASEOUT  
3 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”  
4 before “ADJUSTMENTS”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2000.

8 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**  
9 **CREDIT.**

10          (a) IN GENERAL.—Paragraph (2) of section 32(b) of  
11 the Internal Revenue Code of 1986 (relating to percent-  
12 ages and amounts) is amended—

13           (1) by striking “AMOUNTS.—The earned” and  
14 inserting “AMOUNTS.—

15           “(A) IN GENERAL.—Subject to subpara-  
16 graph (B), the earned”; and

17           (2) by adding at the end the following new sub-  
18 paragraph:

19           “(B) JOINT RETURNS.—In the case of a  
20 joint return, the phaseout amount determined  
21 under subparagraph (A) shall be increased by  
22 \$2,000.”.

23          (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of  
24 section 32(j) of such Code (relating to inflation adjust-  
25 ments) is amended to read as follows:

1           “(B) the cost-of-living adjustment deter-  
2           mined under section 1(f)(3) for the calendar  
3           year in which the taxable year begins,  
4           determined—

5                   “(i) in the case of amounts in sub-  
6                   sections (b)(2)(A) and (i)(1), by sub-  
7                   stituting ‘calendar year 1995’ for ‘calendar  
8                   year 1992’ in subparagraph (B) of section  
9                   1(f)(3), and

10                   “(ii) in the case of the \$2,000 amount  
11                   in subsection (b)(2)(B), by substituting  
12                   ‘calendar year 2000’ for ‘calendar year  
13                   1992’ in subparagraph (B) of section  
14                   1(f)(3).”.

15           (c) ROUNDING.—Section 32(j)(2)(A) of such Code  
16 (relating to rounding) is amended by striking “subsection  
17 (b)(2)” and inserting “subparagraph (A) of subsection  
18 (b)(2) (after being increased under subparagraph (B)  
19 thereof)”.

20           (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2000.

1 **SEC. 5. ALLOWANCE OF NONREFUNDABLE PERSONAL**  
2 **CREDITS AGAINST REGULAR AND MINIMUM**  
3 **TAX LIABILITY.**

4 (a) IN GENERAL.—Subsection (a) of section 26 of the  
5 Internal Revenue Code of 1986 (relating to limitation  
6 based on tax liability; definition of tax liability) is amend-  
7 ed to read as follows:

8 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The  
9 aggregate amount of credits allowed by this subpart for  
10 the taxable year shall not exceed the sum of—

11 “(1) the taxpayer’s regular tax liability for the  
12 taxable year reduced by the foreign tax credit allow-  
13 able under section 27(a), and

14 “(2) the tax imposed for the taxable year by  
15 section 55(a).”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subsection (d) of section 24 of such Code  
18 is amended by striking paragraph (2) and by redesi-  
19 gnating paragraph (3) as paragraph (2).

20 (2) Section 32 of such Code is amended by  
21 striking subsection (h).

22 (3) Section 904 of such Code is amended by  
23 striking subsection (h) and by redesignating sub-  
24 sections (i), (j), and (k) as subsections (h), (i), and  
25 (j), respectively.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2000.

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