

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1124

To amend the Internal Revenue Code of 1986 to impose increased rates of tax with respect to taxpayers with more than \$1,000,000 taxable income, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2011

Ms. SCHAKOWSKY (for herself, Mr. GRIJALVA, Mr. ELLISON, Mr. JACKSON of Illinois, Ms. EDWARDS, Mr. FILNER, Mr. NADLER, Mr. COHEN, Mr. YARMUTH, and Mr. DEFAZIO) 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 impose increased rates of tax with respect to taxpayers with more than \$1,000,000 taxable income, 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 “Fairness in Taxation  
5 Act of 2011”.

1 **SEC. 2. INCREASED TAX RATES FOR TAXPAYERS WITH**  
 2 **MORE THAN \$1,000,000 TAXABLE INCOME.**

3 (a) IN GENERAL.—

4 (1) MARRIED INDIVIDUALS FILING JOINT RE-  
 5 TURNS AND SURVIVING SPOUSES.—The table con-  
 6 tained in subsection (a) of section 1 is amended to  
 7 read as follows:

<b>If taxable income is:</b>	<b>The tax is:</b>
Not over \$69,000 .....	15% of taxable income.
Over \$69,000 but not over \$139,350.	\$10,350, plus 28% of the excess over \$69,000.
Over \$139,350 but not over \$212,300.	\$30,048, plus 31% of the excess over \$139,350.
Over \$212,300 but not over \$379,150.	\$52,662.50, plus 36% of the excess over \$212,300.
Over \$379,150 but not over \$1,000,000.	\$112,728.50, plus 39.6% of the excess over \$379,150.
Over \$1,000,000 but not over \$10,000,000.	\$358,585.10, plus 45% of the excess over \$1,000,000.
Over \$10,000,000 but not over \$20,000,000.	\$4,408,585.10, plus 46% of the excess over \$10,000,000.
Over \$20,000,000 but not over \$100,000,000.	\$9,008,585.10, plus 47% of the excess over \$20,000,000.
Over \$100,000,000 but not over \$1,000,000,000.	\$46,608,585.10, plus 48% of the excess over \$100,000,000.
Over \$1,000,000,000 .....	\$478,608,585.10, plus 49% over the excess over \$1,000,000,000.

8 (2) HEADS OF HOUSEHOLD.—The table con-  
 9 tained in subsection (b) of section 1 of such Code is  
 10 amended to read as follows:

<b>If taxable income is:</b>	<b>The tax is:</b>
Not over \$46,250 .....	15% of taxable income.
Over \$46,250 but not over \$119,400.	\$6,937.50, plus 28% of the excess over \$46,250.
Over \$119,400 but not over \$193,350.	\$27,419.50, plus 31% of the excess over \$119,400.
Over \$193,350 but not over \$379,150.	\$50,344, plus 36% of the excess over \$193,350.
Over \$379,150 but not over \$1,000,000.	\$117,232, plus 39.6% of the excess over \$379,150.
Over \$1,000,000 but not over \$10,000,000.	\$363,088.60, plus 45% of the excess over \$1,000,000.

**If taxable income is:**

Over \$10,000,000 but not over  
\$20,000,000.  
Over \$20,000,000 but not over  
\$100,000,000.  
Over \$100,000,000 but not over  
\$1,000,000,000.  
Over \$1,000,000,000 .....

**The tax is:**

\$4,413,088.60, plus 46% of the ex-  
cess over \$10,000,000.  
\$9,013,088.60, plus 47% of the ex-  
cess over \$20,000,000.  
\$46,613,088.60, plus 48% of the ex-  
cess over \$100,000,000.  
\$478,613,088.60, plus 49% of the ex-  
cess over \$1,000,000,000.

1                   (3) UNMARRIED INDIVIDUALS (OTHER THAN  
2                   SURVIVING SPOUSES AND HEADS OF HOUSE-  
3                   HOLDS).—The table contained in subsection (c) of  
4                   section 1 of such Code is amended to read as fol-  
5                   lows:

**If taxable income is:**

Not over \$34,500 .....

Over \$34,500 but not over  
\$83,600.  
Over \$83,600 but not over  
\$174,400.  
Over \$174,400 but not over  
\$379,150.  
Over \$379,150 but not over  
\$1,000,000.  
Over \$1,000,000 but not over  
\$10,000,000.  
Over \$10,000,000 but not over  
\$20,000,000.  
Over \$20,000,000 but not over  
\$100,000,000.  
Over \$100,000,000 but not over  
\$1,000,000,000.  
Over \$1,000,000,000 .....

**The tax is:**

15% of taxable income.  
\$5,175, plus 28% of the excess over  
\$34,500.  
\$18,923, plus 31% of the excess over  
\$83,600.  
\$47,071, plus 36% of the excess over  
\$174,400.  
\$120,781, plus 39.6% of the excess  
over \$379,150.  
\$366,637.60, plus 45% of the excess  
over \$1,000,000.  
\$4,416,637.60, plus 46% of the ex-  
cess over \$10,000,000.  
\$9,016,637.60, plus 47% of the ex-  
cess over \$20,000,000.  
\$46,616,637.60, plus 48% of the ex-  
cess over \$100,000,000.  
\$478,616,637.60, plus 49% of the ex-  
cess over \$1,000,000,000.

6                   (4) MARRIED INDIVIDUALS FILING SEPARATE  
7                   RETURNS.—The table contained in subsection (d) of  
8                   section 1 of such Code is amended to read as fol-  
9                   lows:

**If taxable income is:**

Not over \$34,500 .....

Over \$34,500 but not over  
\$69,675.

**The tax is:**

plus 15% of taxable income.  
\$5,175, plus 28% of the excess over  
\$34,500.

<b>If taxable income is:</b>	<b>The tax is:</b>
Over \$69,675 but not over \$106,150.	\$15,024, plus 31% of the excess over \$69,675.
Over \$106,150 but not over \$189,575.	\$26,331.25, plus 35% of the excess over \$106,150.
Over \$189,575 but not over \$500,000.	\$55,530, plus 39.6% of the excess over \$189,575.
Over \$500,000 but not over \$5,000,000.	\$178,458.30, plus 45% of the excess over \$500,000.
Over \$5,000,000 but not over \$10,000,000.	\$2,203,458.30, plus 46% of the excess over \$5,000,000.
Over \$10,000,000 but not over \$50,000,000.	\$4,503,458.30, plus 47% of the excess over \$10,000,000.
Over \$50,000,000 but not over \$500,000,000.	\$23,303,458.30, plus 48% of the excess over \$50,000,000.
Over \$500,000,000 .....	\$239,303,458.30, plus 49% of the excess over \$500,000,000.

1           (b) RECAPTURE OF LOWER CAPITAL GAINS RATES  
2 FOR INDIVIDUALS SUBJECT TO ADDED RATE BRACK-  
3 ETS.—

4           (1) IN GENERAL.—Section 1 of such Code is  
5 amended by adding at the end the following new  
6 subsection:

7           “(j) SPECIAL RULE FOR CAPITAL GAINS IN CASE OF  
8 TAXABLE INCOME SUBJECT TO AT LEAST 45-PERCENT  
9 RATE BRACKET.—If for the taxable year a taxpayer has  
10 taxable income in excess of the minimum dollar amount  
11 for the 45-percent rate bracket and has a net capital gain,  
12 then—

13           “(1) the tax imposed by this section for the tax-  
14 able year with respect to such excess shall be deter-  
15 mined without regard to subsection (h), and

1           “(2) the amount of net capital gain of the tax-  
2           payer taken into account for the taxable year under  
3           subsection (h) shall be reduced by the lesser of—

4                       “(A) such excess, or

5                       “(B) the net capital gain for the taxable  
6           year.

7           Any reduction in net capital gain under the pre-  
8           ceding sentence shall be allocated between adjusted  
9           net capital gain, unrecaptured 1250 gain, and sec-  
10          tion 1202 gain in amounts proportionate to the  
11          amounts of each such gain.”.

12               (2) CONFORMING AMENDMENT.—Paragraph (1)  
13          of section 1(h) of such Code is amended by striking  
14          “if a taxpayer has” and inserting “Except to the ex-  
15          tent provided in subsection (j), if a taxpayer has”.

16          (c) EFFECTIVE DATE.—The amendments made by  
17          this section shall apply to taxable years beginning after  
18          December 31, 2010.

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