

116TH CONGRESS  
1ST SESSION

# H. R. 22

To amend the Internal Revenue Code of 1986 to make permanent the increase in the standard deduction, the increase in and modifications of the child tax credit, and the repeal of the deduction for personal exemptions contained in Public Law 115–97.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2019

Mr. BRADY 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 make permanent the increase in the standard deduction, the increase in and modifications of the child tax credit, and the repeal of the deduction for personal exemptions contained in Public Law 115–97.

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. INCREASE IN STANDARD DEDUCTION.**

4           (a) IN GENERAL.—Section 63(c)(2) of the Internal  
5 Revenue Code of 1986 is amended—

6                  (1) by striking “\$4,400” in subparagraph (B)  
7                  and inserting “\$18,000”; and

1                             (2) by striking “\$3,000” in subparagraph (C)  
2                             and inserting “\$12,000”.

3                             (b) INFLATION ADJUSTMENT.—Section 63(c)(4) of  
4 such Code is amended to read as follows:

5                             “(4) ADJUSTMENTS FOR INFLATION.—

6                                 “(A) IN GENERAL.—In the case of a tax-  
7                             able year beginning after 2018, each dollar  
8                             amount in paragraph (2)(B), (2)(C), or (5) or  
9                             subsection (f) shall be increased by an amount  
10                             equal to—

11                                 “(i) such dollar amount, multiplied by  
12                                 “(ii) the cost-of-living adjustment de-  
13                             termined under section 1(f)(3) for the cal-  
14                             endar year in which the taxable year be-  
15                             gins, determined by substituting for ‘2016’  
16                             in subparagraph (A)(ii) thereof—

17                                 “(I) in the case of the dollar  
18                             amounts contained in paragraph  
19                             (2)(B) or (2)(C), ‘2017’,

20                                 “(II) in the case of the dollar  
21                             amounts contained in paragraph  
22                             (5)(A) or subsection (f), ‘1987’, and

23                                 “(III) in the case of the dollar  
24                             amount contained in paragraph  
25                             (5)(B), ‘1997’.

1                 “(B) ROUNDING.—If any increase under  
2                 subparagraph (A) is not a multiple of \$50, such  
3                 increase shall be rounded to the next lowest  
4                 multiple of \$50.”.

5                 (c) CONFORMING AMENDMENTS.—

6                 (1) Section 1(f)(7)(A) of such Code is amended  
7                 by striking “section 63(c)(4),”.

8                 (2) Section 1(f)(7)(B) of such Code is amended  
9                 by striking “sections 63(c)(4) and” and inserting  
10                 “section”.

11                 (3) Section 63(c) of such Code is amended by  
12                 striking paragraph (7).

13                 (d) EFFECTIVE DATE.—The amendments made by  
14                 this section shall apply to taxable years beginning after  
15                 December 31, 2017.

16                 **SEC. 2. INCREASE IN AND MODIFICATION OF CHILD TAX  
17                 CREDIT.**

18                 (a) IN GENERAL.—Section 24 of the Internal Rev-  
19                 enue Code of 1986 is amended by striking subsections (a),  
20                 (b), and (c) and inserting the following new subsections:

21                 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
22                 lowed as a credit against the tax imposed by this chapter  
23                 for the taxable year an amount equal to the sum of—

24                 “(1) \$2,000 for each qualifying child of the tax-  
25                 payer, and

1           “(2) \$500 for each qualifying dependent (other  
2       than a qualifying child) of the taxpayer.

3           “(b) LIMITATION BASED ON ADJUSTED GROSS IN-  
4       COME.—The amount of the credit allowable under sub-  
5       section (a) shall be reduced (but not below zero) by \$50  
6       for each \$1,000 (or fraction thereof) by which the tax-  
7       payer’s modified adjusted gross income exceeds \$400,000  
8       in the case of a joint return (\$200,000 in any other case).

9       For purposes of the preceding sentence, the term ‘modi-  
10      fied adjusted gross income’ means adjusted gross income  
11      increased by any amount excluded from gross income  
12      under section 911, 931, or 933.

13           “(c) QUALIFYING CHILD; QUALIFYING DEPEND-  
14      ENT.—For purposes of this section—

15           “(1) QUALIFYING CHILD.—The term ‘qualifying  
16      child’ means any qualifying dependent of the tax-  
17      payer—

18           “(A) who is a qualifying child (as defined  
19      in section 7706(c)) of the taxpayer,

20           “(B) who has not attained age 17 at the  
21      close of the calendar year in which the taxable  
22      year of the taxpayer begins, and

23           “(C) whose name and social security num-  
24      ber are included on the taxpayer’s return of tax  
25      for the taxable year.

1                 “(2) QUALIFYING DEPENDENT.—The term  
2         ‘qualifying dependent’ means any dependent of the  
3         taxpayer (as defined in section 7706 without regard  
4         to all that follows ‘resident of the United States’ in  
5         section 7706(b)(3)(A)) whose name and TIN are in-  
6         cluded on the taxpayer’s return of tax for the tax-  
7         able year.

8                 “(3) SOCIAL SECURITY NUMBER DEFINED.—  
9         For purposes of this subsection, the term ‘social se-  
10         curity number’ means, with respect to a return of  
11         tax, a social security number issued to an individual  
12         by the Social Security Administration, but only if  
13         the social security number is issued—

14                 “(A) to a citizen of the United States or  
15         pursuant to subclause (I) (or that portion of  
16         subclause (III) that relates to subclause (I)) of  
17         section 205(c)(2)(B)(i) of the Social Security  
18         Act, and

19                 “(B) on or before the due date of filing  
20         such return.”.

21                 (b) PORTION OF CREDIT REFUNDABLE.—

22                 (1) IN GENERAL.—Section 24(d)(1)(A) of the  
23         Internal Revenue Code of 1986 is amended to read  
24         as follows:

1                 “(A) the credit which would be allowed  
2                 under this section determined—

3                         “(i) by substituting ‘\$1,400’ for  
4                 ‘\$2,000’ in subsection (a)(1),

5                         “(ii) without regard to subsection  
6                 (a)(2), and

7                         “(iii) without regard to this subsection  
8                 and the limitation under section 26(a),  
9                 or”.

10                 (2) MODIFICATION OF LIMITATION BASED ON  
11                 EARNED INCOME.—Section 24(d)(1)(B)(i) of such  
12                 Code is amended by striking “\$3,000” and inserting  
13                 “\$2,500”.

14                 (3) INFLATION ADJUSTMENT.—Section 24(d) of  
15                 such Code is amended by inserting after paragraph  
16                 (3) the following new paragraph:

17                 “(4) ADJUSTMENT FOR INFLATION.—

18                 “(A) IN GENERAL.—In the case of a tax-  
19                 able year beginning after 2018, the \$1,400  
20                 amount in paragraph (1)(A)(i) shall be in-  
21                 creased by an amount equal to—

22                         “(i) such dollar amount, multiplied by

23                         “(ii) the cost-of-living adjustment de-  
24                 termined under section 1(f)(3) for the cal-  
25                 endar year in which the taxable year be-

1                   gins, determined by substituting ‘2017’ for  
2                   ‘2016’ in subparagraph (A)(ii) thereof.

3                   “(B) ROUNDING.—If any increase under  
4                   subparagraph (A) is not a multiple of \$100,  
5                   such increase shall be rounded to the next low-  
6                   est multiple of \$100.

7                   “(C) LIMITATION.—The amount of any in-  
8                   crease under subparagraph (A) (after the appli-  
9                   cation of subparagraph (B)) shall not exceed  
10                  \$600.”.

11                  (4) CONFORMING AMENDMENTS.—

12                  (A) Section 24(e) of such Code is amended  
13                  to read as follows:

14                  “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—  
15                  No credit shall be allowed under this section if the identi-  
16                  fying number of the taxpayer was issued after the due date  
17                  for filing the return of tax for the taxable year.”.

18                  (B) Section 24 of such Code is amended by  
19                  striking subsection (h).

20                  (c) EFFECTIVE DATE.—The amendments made by  
21                  this section shall apply to taxable years beginning after  
22                  December 31, 2017.

1   **SEC. 3. ELIMINATION OF DEDUCTION FOR PERSONAL EX-**

2                   **EMPTIONS.**

3       (a) IN GENERAL.—Section 151(d)(5) of the Internal  
4   Revenue Code of 1986 is amended by striking “, and be-  
5 fore January 1, 2026”.

6       (b) CONFORMING AMENDMENTS.—

7                   (1) Section 152(d)(1)(B) is amended by insert-  
8   ing after “section 151(d))” the following: “or, in the  
9   case of a taxable year for which the exemption  
10   amount is zero, the dollar amount in effect for the  
11   taxable year under section 6334(d)(4)(B)”.

12                  (2) The heading of section 151(d)(5) of such  
13   Code is amended by striking “2018 THROUGH 2025”  
14   and inserting “AFTER 2017”.

15                  (3) The second sentence of section  
16   6334(d)(4)(C) is amended by striking “\$100” each  
17   place it appears and inserting “\$50”.

18       (c) EFFECTIVE DATE.—The amendments made by  
19   this section shall apply to taxable years beginning after  
20   December 31, 2017.

