

117TH CONGRESS  
1ST SESSION

# S. 126

To amend the Internal Revenue Code of 1986 to make permanent the individual tax provisions of the tax reform law, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 28, 2021

Mr. CRUZ (for himself, Ms. ERNST, Mr. BRAUN, and Mr. INHOFE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the individual tax provisions of the tax reform law, 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. PERMANENT MODIFICATION OF INDIVIDUAL**  
4 **RATE BRACKETS.**

5 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS  
6 AND SURVIVING SPOUSES.—The table contained in sub-  
7 section (a) of section 1 of the Internal Revenue Code of  
8 1986 is amended to read as follows:

**“If taxable income is:****The tax is:**

Not over \$19,050 .....	10% of taxable income.
Over \$19,050 but not over \$77,400 .....	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000 .....	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000 .....	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000 .....	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$600,000 .....	\$91,379, plus 35% of the excess over \$400,000.
Over \$600,000 .....	\$161,379, plus 37% of the excess over \$600,000.”.

1 (b) HEADS OF HOUSEHOLDS.—The table contained  
2 in subsection (b) of section 1 of the Internal Revenue Code  
3 of 1986 is amended to read as follows:

**“If taxable income is:****The tax is:**

Not over \$13,600 .....	10% of taxable income.
Over \$13,600 but not over \$51,800 .....	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500 .....	\$5,944, plus 22% of the excess over \$51,800.
Over \$82,500 but not over \$157,500 .....	\$12,698, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000 .....	\$30,698, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000 .....	\$44,298, plus 35% of the excess over \$200,000.
Over \$500,000 .....	\$149,298, plus 37% of the excess over \$500,000.”.

4 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-  
5 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The  
6 table contained in subsection (c) of section 1 of the Inter-  
7 nal Revenue Code of 1986 is amended to read as follows:

**“If taxable income is:****The tax is:**

Not over \$9,525 .....	10% of taxable income.
Over \$9,525 but not over \$38,700 .....	\$952.50, plus 12% of the excess over \$9,525.

<b>“If taxable income is:</b>	<b>The tax is:</b>
Over \$38,700 but not over \$82,500 .....	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500 .....	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000 .....	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000 .....	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$500,000 .....	\$150,689.50, plus 37% of the excess over \$500,000.”.

1           (d) MARRIED INDIVIDUALS FILING SEPARATE RE-  
2           TURNS.—The table contained in subsection (d) of section  
3           1 of the Internal Revenue Code of 1986 is amended to  
4           read as follows:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$9,525 .....	10% of taxable income.
Over \$9,525 but not over \$38,700 .....	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500 .....	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500 .....	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000 .....	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$300,000 .....	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$300,000 .....	\$80,689.50, plus 37% of the excess over \$300,000.”.

5           (e) ESTATES AND TRUSTS.—The table contained in  
6           subsection (e) of section 1 of the Internal Revenue Code  
7           of 1986 is amended to read as follows:

<b>“If taxable income is:</b>	<b>The tax is:</b>
Not over \$2,550 .....	10% of taxable income.
Over \$2,550 but not over \$9,150 .....	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,500 .....	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,500 .....	\$3,011.50, plus 37% of the excess over \$12,500.”.

1 (f) ADJUSTMENT FOR INFLATION.—Subsection (f) of  
2 section 1 of the Internal Revenue Code of 1986 is amend-  
3 ed—

4 (1) by striking “1993” in paragraph (1) and in-  
5 serting “2018”,

6 (2) by striking “determined—” and all that fol-  
7 lows in paragraph (2)(A) and inserting “determined  
8 by substituting ‘2017’ for ‘2016’ in paragraph  
9 (3)(A)(ii),”,

10 (3) by striking “a married individual filing a  
11 separate return” in paragraph (7)(B) and inserting  
12 “any unmarried individual other than a surviving  
13 spouse or head of household”,

14 (4) by striking “MARRIED INDIVIDUALS FILING  
15 SEPARATELY” in the heading of subparagraph (B) of  
16 paragraph (7) and inserting “CERTAIN UNMARRIED  
17 INDIVIDUALS”, and

18 (5) by striking paragraph (8).

19 (g) CAPITAL GAINS BRACKETS.—Subsection (h) of  
20 section 1 of the Internal Revenue Code of 1986 is amend-  
21 ed—

22 (1) by striking “which would (without regard to  
23 this paragraph) be taxed at a rate below 25 percent”  
24 in paragraph (1)(B)(i) and inserting “below the  
25 maximum zero rate amount”,

1           (2) by striking “which would (without regard to  
2 this paragraph) be taxed at a rate below 39.6 per-  
3 cent” in paragraph (1)(C)(ii)(I) and inserting  
4 “below the maximum 15-percent rate amount”, and

5           (3) by adding at the end the following new  
6 paragraph:

7           “(12) MAXIMUM AMOUNTS DEFINED.—For pur-  
8 poses of this subsection—

9           “(A) MAXIMUM ZERO RATE AMOUNT.—The  
10 maximum zero rate amount shall be—

11           “(i) in the case of a joint return or  
12 surviving spouse, \$77,200,

13           “(ii) in the case of an individual who  
14 is a head of household (as defined in sec-  
15 tion 2(b)), \$51,700,

16           “(iii) in the case of any other indi-  
17 vidual (other than an estate or trust), an  
18 amount equal to  $\frac{1}{2}$  of the amount in effect  
19 for the taxable year under clause (i), and

20           “(iv) in the case of an estate or trust,  
21 \$2,600.

22           “(B) MAXIMUM 15-PERCENT RATE  
23 AMOUNT.—The maximum 15-percent rate  
24 amount shall be—

1 “(i) in the case of a joint return or  
2 surviving spouse, \$479,000 (1/2 such  
3 amount in the case of a married individual  
4 filing a separate return),

5 “(ii) in the case of an individual who  
6 is the head of a household (as defined in  
7 section 2(b)), \$452,400,

8 “(iii) in the case of any other indi-  
9 vidual (other than an estate or trust),  
10 \$425,800, and

11 “(iv) in the case of an estate or trust,  
12 \$12,700.

13 “(C) INFLATION ADJUSTMENT.—In the  
14 case of any taxable year beginning after 2018,  
15 each of the dollar amounts in subparagraphs  
16 (A) and (B) shall be increased by an amount  
17 equal to—

18 “(i) such dollar amount, multiplied by

19 “(ii) the cost-of-living adjustment de-  
20 termined under subsection (f)(3) for the  
21 calendar year in which the taxable year be-  
22 gins, determined by substituting ‘calendar  
23 year 2017’ for ‘calendar year 2016’ in sub-  
24 paragraph (A)(ii) thereof.

1           If any increase under this subparagraph is not  
2           a multiple of \$50, such increase shall be round-  
3           ed to the next lowest multiple of \$50.”.

4           (h) CONFORMING AMENDMENTS.—

5           (1) Section 1 of the Internal Revenue Code of  
6           1986 is amended by striking subsections (i) and (j).

7           (2) Section 3402(q)(1) of such Code is amend-  
8           ed by striking “third lowest” and inserting “fourth  
9           lowest”.

10          (i) SECTION 15 NOT TO APPLY.—Section 15 of the  
11 Internal Revenue Code of 1986 shall not apply to any  
12 change in a rate of tax by reason of this section.

13          (j) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2020.

16 **SEC. 2. PERMANENT EXTENSION OF DEDUCTION FOR**  
17 **QUALIFIED BUSINESS INCOME OF PASS-THRU**  
18 **ENTITIES.**

19          (a) IN GENERAL.—Section 199A of the Internal Rev-  
20 enue Code of 1986 is amended by striking subsection (i).

21          (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2020.

1 **SEC. 3. PERMANENT EXTENSION OF LIMITATION ON**  
2 **LOSSES FOR TAXPAYERS OTHER THAN COR-**  
3 **PORATIONS.**

4 (a) **IN GENERAL.**—Paragraph (1) of section 461(l)  
5 of the Internal Revenue Code of 1986 is amended to read  
6 as follows:

7 “(1) **LIMITATION.**—In the case of taxable year  
8 of a taxpayer other than a corporation, any excess  
9 business loss of the taxpayer for the taxable year  
10 shall not be allowed.”.

11 (b) **CONFORMING AMENDMENT.**—Section 461 of the  
12 Internal Revenue Code of 1986 is amended by striking  
13 subsection (j) (relating to limitation on excess farm losses  
14 of certain taxpayers).

15 (c) **EFFECTIVE DATE.**—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2020.

18 **SEC. 4. PERMANENT EXTENSION OF INCREASE IN STAND-**  
19 **ARD DEDUCTION.**

20 (a) **IN GENERAL.**—Section 63(c)(2) of the Internal  
21 Revenue Code of 1986 is amended—

22 (1) by striking “\$4,400” in subparagraph (B)  
23 and inserting “\$18,800”, and

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



1 (b) INFLATION ADJUSTMENT.—Paragraph (4) of sec-  
2 tion 63(c) of the Internal Revenue Code of 1986 is amend-  
3 ed to read as follows:

4 “(4) ADJUSTMENTS FOR INFLATION.—

5 “(A) IN GENERAL.—In the case of any  
6 taxable year beginning in a calendar year after  
7 2018, the \$18,000 and \$12,000 amounts in  
8 subparagraph (A) shall each be increased by an  
9 amount equal to—

10 “(i) such dollar amount, multiplied by

11 “(ii) the cost-of-living adjustment de-  
12 termined under section 1(f)(3) for the cal-  
13 endar year in which the taxable year be-  
14 gins, by substituting ‘2017’ for ‘2016’ in  
15 subparagraph (A)(ii) thereof.

16 “(B) CERTAIN AMOUNTS.—In the case of  
17 any taxable year beginning in a calendar year  
18 after 1988, each dollar amount contained in  
19 paragraph (5) or subsection (f) shall be in-  
20 creased by an amount equal to—

21 “(i) such dollar amount, multiplied by

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

1 gins, by substituting for ‘calendar year  
2 2016’ in subparagraph (A)(ii) thereof—

3 “(I) ‘calendar year 1987’ in the  
4 case of the dollar amounts contained  
5 in paragraph (5)(A) or subsection (f),  
6 and

7 “(II) ‘calendar year 1997’ in the  
8 case of the dollar amount contained in  
9 paragraph (5)(B).”.

10 (c) CONFORMING AMENDMENT.—Section 63(c) of the  
11 Internal Revenue Code of 1986 is amended by striking  
12 paragraph (7).

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 December 31, 2020.

16 **SEC. 5. PERMANENT INCREASE AND MODIFICATION OF**  
17 **CHILD TAX CREDIT.**

18 (a) INCREASE IN CREDIT AMOUNT.—Section 24(a) of  
19 the Internal Revenue Code of 1986 is amended by striking  
20 “\$1,000” and inserting “\$2,000”.

21 (b) LIMITATION.—Paragraph (2) of section 24(b) of  
22 the Internal Revenue Code of 1986 is amended to read  
23 as follows:

24 “(2) THRESHOLD AMOUNT.—For purposes of  
25 paragraph (1), the term ‘threshold amount’ means—

1           “(A) \$400,000 in the case of a joint re-  
2           turn, and

3           “(B) \$200,000 in any other case.”.

4           (c) PARTIAL CREDIT ALLOWED FOR CERTAIN  
5 OTHER DEPENDENTS.—Subsection (h) of section 24 of  
6 the Internal Revenue Code of 1986 is amended to read  
7 as follows:

8           “(h) PARTIAL CREDIT ALLOWED FOR CERTAIN  
9 OTHER DEPENDENTS.—

10           “(1) IN GENERAL.—The credit determined  
11 under subsection (a) shall be increased by \$500 for  
12 each dependent of the taxpayer (as defined in sec-  
13 tion 7706) other than a qualifying child described in  
14 subsection (c).

15           “(2) EXCEPTION FOR CERTAIN NONCITIZENS.—  
16 Paragraph (1) shall not apply with respect to any  
17 individual who would not be a dependent if subpara-  
18 graph (A) of section 7706(b)(3) were applied with-  
19 out regard to all that follows ‘resident of the United  
20 States’.

21           “(3) CERTAIN QUALIFYING CHILDREN.—In the  
22 case of any qualifying child with respect to whom a  
23 credit is not allowed under this section by reason of  
24 subsection (e)(1), such child shall be treated as a de-  
25 pendent to whom subparagraph (A) applies.”.

1 (d) MAXIMUM AMOUNT OF REFUNDABLE CREDIT.—  
 2 Subsection (d) of section 24 of the Internal Revenue Code  
 3 of 1986 is amended by inserting after paragraph (2) the  
 4 following new paragraph:

5 “(3) LIMITATION.—

6 “(A) IN GENERAL.—The amount deter-  
 7 mined under paragraph (1)(A) with respect to  
 8 any qualifying child shall not exceed \$1,400,  
 9 and such paragraph shall be applied without re-  
 10 gard to subsection (h).

11 “(B) ADJUSTMENT FOR INFLATION.—In  
 12 the case of a taxable year beginning after 2018,  
 13 the \$1,400 amount in subparagraph (A) shall  
 14 be increased by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-  
 17 termined under section 1(f)(3) for the cal-  
 18 endar year in which the taxable year be-  
 19 gins, determined by substituting ‘2017’ for  
 20 ‘2016’ in subparagraph (A)(ii) thereof.

21 If any increase under this clause is not a mul-  
 22 tiple of \$100, such increase shall be rounded to  
 23 the next lowest multiple of \$100.”.

24 (e) EARNED INCOME THRESHOLD FOR REFUNDABLE  
 25 CREDIT.—Section 24(d)(1)(B) of the Internal Revenue

1 Code of 1986 is amended by striking “\$3,000” and insert-  
2 ing “\$2,500”.

3 (f) SOCIAL SECURITY NUMBER REQUIRED.—Para-  
4 graph (1) of section 24(e) of the Internal Revenue Code  
5 of 1986 is amended to read as follows:

6 “(1) QUALIFYING CHILD SOCIAL SECURITY  
7 NUMBER REQUIREMENT.—No credit shall be allowed  
8 under this section to a taxpayer with respect to any  
9 qualifying child unless the taxpayer includes the  
10 name and social security number of such child on  
11 the return of tax for the taxable year. For purposes  
12 of the preceding sentence, the term ‘social security  
13 number’ means a social security number issued to an  
14 individual by the Social Security Administration, but  
15 only if the social security number is issued—

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

21 “(B) before the due date for such return.”.

22 (g) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2020.

1 **SEC. 6. PERMANENT EXTENSION OF INCREASED LIMITA-**  
2 **TION FOR CERTAIN CHARITABLE CONTRIBU-**  
3 **TIONS.**

4 (a) **IN GENERAL.**—Section 170(b)(1)(G) of the Inter-  
5 nal Revenue Code of 1986 is amended—

6 (1) by striking “for any taxable year beginning  
7 after December 31, 2017, and before January 1,  
8 2026,” in clause (i),

9 (2) by striking “for any taxable year described  
10 in such clause” in clause (ii), and

11 (3) by striking “For each taxable year de-  
12 scribed in clause (i), and each taxable year to which  
13 any contribution under this subparagraph is carried  
14 over under clause (ii), subparagraph (A)” in clause  
15 (iii) and inserting “Subparagraph (A)”.

16 (b) **EFFECTIVE DATE.**—The amendments made by  
17 this section shall apply to contributions in taxable years  
18 beginning after December 31, 2025.

19 **SEC. 7. PERMANENT EXTENSION OF INCREASED CON-**  
20 **TRIBUTIONS TO ABLE ACCOUNTS.**

21 (a) **IN GENERAL.**—Section 529A(b)(2)(B)(ii) of the  
22 Internal Revenue Code of 1986 is amended by striking  
23 “before January 1, 2026”.

24 (b) **ALLOWANCE OF SAVERS CREDIT.**—Section  
25 25B(d)(1)(D) of the Internal Revenue Code of 1986 is  
26 amended by striking “before January 1, 2026,”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

4 **SEC. 8. PERMANENT EXTENSION OF ROLLOVERS TO ABLE**  
5 **PROGRAMS FROM 529 PROGRAMS.**

6 (a) IN GENERAL.—Section 529(c)(3)(C)(i)(III) is  
7 amended by striking “before January 1, 2026,”.

8 (b) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to distributions made after the  
10 date of the enactment of this Act.

11 **SEC. 9. PERMANENT EXTENSION OF TREATMENT OF CER-**  
12 **TAIN INDIVIDUALS PERFORMING SERVICES**  
13 **IN THE SINAI PENINSULA OF EGYPT.**

14 (a) IN GENERAL.—Subsection (c) of section 11026  
15 of Public Law 115–97 is amended—

16 (1) by striking “beginning before January 1,  
17 2026” in paragraph (1)(B), and

18 (2) by striking “beginning before January 1,  
19 2026” in paragraph (2)(B).

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall take effect on the date of the enactment  
22 of this Act.

1 **SEC. 10. PERMANENT EXTENSION OF TREATMENT OF STU-**  
2 **DENT LOANS DISCHARGED ON ACCOUNT OF**  
3 **DEATH OR DISABILITY.**

4 (a) **IN GENERAL.**—Subparagraph (A) of section  
5 108(f)(5) of the Internal Revenue Code of 1986 is amend-  
6 ed by striking “and before January 1, 2026,”.

7 (b) **EFFECTIVE DATE.**—The amendment made by  
8 this section shall apply to discharges of indebtedness after  
9 December 31, 2020.

10 **SEC. 11. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-**  
11 **TIONS.**

12 (a) **IN GENERAL.**—Part V of subchapter B of chapter  
13 1 of the Internal Revenue Code of 1986 is hereby repealed.

14 (b) **DEFINITION OF DEPENDENT RETAINED.**—Sec-  
15 tion 152 of the Internal Revenue Code of 1986, prior to  
16 repeal by subsection (a), is hereby redesignated as section  
17 7706 of such Code and moved to the end of chapter 79  
18 of such Code.

19 (c) **APPLICATION TO ESTATES AND TRUSTS.**—Sub-  
20 paragraph (C) of section 642(b)(2) of the Internal Rev-  
21 enue Code of 1986 is amended—

22 (1) by striking “the exemption amount under  
23 section 151(d)” in clause (i) and inserting “\$4,150”,  
24 and

25 (2) by striking clause (iii) and inserting the fol-  
26 lowing:



1           “(iii) INFLATION ADJUSTMENT.—In  
2           the case of any taxable year beginning in  
3           a calendar year after 2018, the \$4,150  
4           amount in clause (i) shall be increased by  
5           an amount equal to—

6                       “(I) such dollar amount, multi-  
7                       plied by

8                       “(II) the cost-of-living adjust-  
9                       ment determined under section 1(f)(3)  
10                      for the calendar year in which the tax-  
11                      able begins, determined by sub-  
12                      stituting ‘2017’ for ‘2016’ in subpara-  
13                      graph (A)(ii) thereof.

14           If any increase determined under the pre-  
15           ceding sentence is not a multiple of \$100,  
16           such increase shall be rounded to the next  
17           lowest multiple of \$100.”.

18           (d) APPLICATION TO NONRESIDENT ALIENS.—Sec-  
19           tion 873(b) of the Internal Revenue Code of 1986 is  
20           amended by striking paragraph (3).

21           (e) MODIFICATION OF RETURN REQUIREMENT.—

22                       (1) IN GENERAL.—Section 6012 of the Internal  
23           Revenue Code of 1986 is amended—

24                       (A) by striking paragraph (1) of subsection

25                       (a) and inserting the following:

1           “(1) Every individual who has gross income for  
2 the taxable year, except that a return shall not be  
3 required of—

4           “(A) an individual who is not married (de-  
5 termined by applying section 7703) and who  
6 has gross income for the taxable year which  
7 does not exceed the standard deduction applica-  
8 ble to such individual for such taxable year  
9 under section 63, or

10           “(B) an individual entitled to make a joint  
11 return if—

12           “(i) the gross income of such indi-  
13 vidual, when combined with the gross in-  
14 come of such individual’s spouse, for the  
15 taxable year does not exceed the standard  
16 deduction which would be applicable to the  
17 taxpayer for such taxable year under sec-  
18 tion 63 if such individual and such individ-  
19 ual’s spouse made a joint return,

20           “(ii) such individual and such individ-  
21 ual’s spouse have the same household as  
22 their home at the close of the taxable year,

23           “(iii) such individual’s spouse does not  
24 make a separate return, and

1           “(iv) neither such individual nor such  
2           individual’s spouse is an individual de-  
3           scribed in section 63(c)(2) who has income  
4           (other than earned income) in excess of the  
5           amount in effect under section  
6           63(c)(2)(A).”, and  
7           (B) by striking subsection (f).

8           (2) BANKRUPTCY ESTATES.—Paragraph (8) of  
9           section 6012(a) of such Code is amended by striking  
10          “the sum of the exemption amount plus the basic  
11          standard deduction under section 63(c)(2)(D)” and  
12          inserting “the standard deduction in effect under  
13          section 63(c)(1)(B)”.

14          (f) CONFORMING AMENDMENTS.—

15           (1) Section 2(a)(1)(B) of the Internal Revenue  
16          Code of 1986 is amended by striking “a dependent”  
17          and all that follows through “section 151” and in-  
18          serting “a dependent who (within the meaning of  
19          section 7706, determined without regard to sub-  
20          sections (b)(1), (b)(2), and (d)(1)(B) thereof) is a  
21          son, stepson, daughter, or stepdaughter of the tax-  
22          payer”.

23           (2) Section 36B(b)(2)(A) of such Code is  
24          amended by striking “section 152” and inserting  
25          “section 7706”.

1           (3) Section 36B(b)(3)(B) of such Code is  
2 amended by striking “unless a deduction is allowed  
3 under section 151 for the taxable year with respect  
4 to a dependent” in the flush matter at the end and  
5 inserting “unless the taxpayer has a dependent for  
6 the taxable year”.

7           (4) Section 36B(c)(1)(D) of such Code is  
8 amended by striking “with respect to whom a deduc-  
9 tion under section 151 is allowable to another tax-  
10 payer” and inserting “who is a dependent of another  
11 taxpayer”.

12           (5) Section 36B(d)(1) of such Code is amended  
13 by striking “equal to the number of individuals for  
14 whom the taxpayer is allowed a deduction under sec-  
15 tion 151 (relating to allowance of deduction for per-  
16 sonal exemptions) for the taxable year” and insert-  
17 ing “the sum of 1 (2 in the case of a joint return)  
18 plus the number of the taxpayer’s dependents for  
19 the taxable year”.

20           (6) Section 36B(e)(1) of such Code is amended  
21 by striking “1 or more individuals for whom a tax-  
22 payer is allowed a deduction under section 151 (re-  
23 lating to allowance of deduction for personal exemp-  
24 tions) for the taxable year (including the taxpayer or  
25 his spouse)” and inserting “1 or more of the tax-

1 payer, the taxpayer’s spouse, or any dependent of  
2 the taxpayer”.

3 (7) Section 42(i)(3)(D)(ii)(I) of such Code is  
4 amended—

5 (A) by striking “section 152” and insert-  
6 ing “section 7706”, and

7 (B) by striking the period at the end and  
8 inserting a comma.

9 (8) Section 63(b) of such Code is amended by  
10 striking “minus—” and all that follows and insert-  
11 ing “minus the standard deduction.”.

12 (9) Section 63(d) of such Code is amended by  
13 striking “other than—” and all that follows and in-  
14 serting “other than the deductions allowable in ar-  
15 riving at adjusted gross income.”.

16 (10) Section 72(t)(2)(D)(i)(III) of such Code is  
17 amended by striking “section 152” and inserting  
18 “section 7706”.

19 (11) Section 72(t)(7)(A)(iii) of such Code is  
20 amended by striking “section 152(f)(1)” and insert-  
21 ing “section 7706(f)(1)”.

22 (12) Section 105(b) of such Code is amended—

23 (A) by striking “as defined in section 152”  
24 and inserting “as defined in section 7706”,

1 (B) by striking “section 152(f)(1)” and in-  
2 serting “section 7706(f)(1)”, and

3 (C) by striking “section 152(e)” and in-  
4 serting “section 7706(e)”.

5 (13) Section 105(e)(1) of such Code is amended  
6 by striking “section 152” and inserting “section  
7 7706”.

8 (14) Section 125(e)(1)(D) of such Code is  
9 amended by striking “section 152” and inserting  
10 “section 7706”.

11 (15) Section 129(c) of such Code is amended—

12 (A) by striking “with respect to whom, for  
13 such taxable year, a deduction is allowable  
14 under section 151(e) (relating to personal ex-  
15 emptions for dependents) to” in paragraph (1)  
16 and inserting “who is a dependent of”, and

17 (B) by striking “section 152(f)(1)” in  
18 paragraph (2) and inserting “section  
19 7706(f)(1)”.

20 (16) Section 132(h)(2)(B) of such Code is  
21 amended—

22 (A) by striking “section 152(f)(1)” and in-  
23 serting “section 7706(f)(1)”, and

24 (B) by striking “section 152(e)” and in-  
25 serting “section 7706(e)”.

1           (17) Section 139D(c)(5) of such Code is  
2 amended by striking “section 152” and inserting  
3 “section 7706”.

4           (18) Section 162(l)(1)(D) of such Code is  
5 amended by striking “section 152(f)(1)” and insert-  
6 ing “section 7706(f)(1)”.

7           (19) Section 170(g)(1) of such Code is amend-  
8 ed by striking “section 152” and inserting “section  
9 7706”.

10           (20) Section 170(g)(3) of such Code is amend-  
11 ed by striking “section 152(d)(2)” and inserting  
12 “section 7706(d)(2)”.

13           (21) Section 172(d) of such Code is amended  
14 by striking paragraph (3).

15           (22) Section 220(b)(6) of such Code is amend-  
16 ed by striking “with respect to whom a deduction  
17 under section 151 is allowable to” and inserting  
18 “who is a dependent of”.

19           (23) Section 220(d)(2)(A) of such Code is  
20 amended by striking “section 152” and inserting  
21 “section 7706”.

22           (24) Section 223(b)(6) of such Code is amend-  
23 ed by striking “with respect to whom a deduction  
24 under section 151 is allowable to” and inserting  
25 “who is a dependent of”.

1           (25) Section 223(d)(2)(A) of such Code is  
2 amended by striking “section 152” and inserting  
3 “section 7706”.

4           (26) Section 401(h) of such Code is amended  
5 by striking “section 152(f)(1)” in the last sentence  
6 and inserting “section 7706(f)(1)”.

7           (27) Section 402(l)(4)(D) of such Code is  
8 amended by striking “section 152” and inserting  
9 “section 7706”.

10           (28) Section 409A(a)(2)(B)(ii)(I) of such Code  
11 is amended by striking “section 152(a)” and insert-  
12 ing “section 7706(a)”.

13           (29) Section 501(c)(9) of such Code is amended  
14 by striking “section 152(f)(1)” and inserting “sec-  
15 tion 7706(f)(1)”.

16           (30) Section 529(e)(2)(B) of such Code is  
17 amended by striking “section 152(d)(2)” and insert-  
18 ing “section 7706(d)(2)”.

19           (31) Section 703(a)(2) of such Code is amended  
20 by striking subparagraph (A) and by redesignating  
21 subparagraphs (B) through (F) as subparagraphs  
22 (A) through (E), respectively.

23           (32) Section 874 of such Code is amended by  
24 striking subsection (b) and by redesignating sub-  
25 section (c) as subsection (b).



1           (33) Section 891 of such Code is amended by  
2 striking “under section 151 and”.

3           (34) Section 904(b) of such Code is amended  
4 by striking paragraph (1).

5           (35) Section 931(b)(1) of such Code is amend-  
6 ed by striking “(other than the deduction under sec-  
7 tion 151, relating to personal exemptions)”.

8           (36) Section 933 of such Code is amended—

9               (A) by striking “(other than the deduction  
10 under section 151, relating to personal exemp-  
11 tions)” in paragraph (1), and

12               (B) by striking “(other than the deduction  
13 for personal exemptions under section 151)” in  
14 paragraph (2).

15           (37) Section 1212(b)(2)(B)(ii) of such Code is  
16 amended to read as follows:

17               “(ii) in the case of an estate or trust,  
18 the deduction allowed for such year under  
19 section 642(b).”.

20           (38) Section 1361(e)(1)(C) of such Code is  
21 amended by striking “section 152(f)(1)(C)” and in-  
22 sserting “section 7706(f)(1)(C)”.

23           (39) Section 1402(a) of such Code is amended  
24 by striking paragraph (7).

1           (40) Section 2032A(c)(7)(D) of such Code is  
2 amended by striking “section 152(f)(2)” and insert-  
3 ing “section 7706(f)(2)”.

4           (41) Section 3402(m)(1) of such Code is  
5 amended by striking “other than the deductions re-  
6 ferred to in section 151 and”.

7           (42) Section 3402(r)(2) of such Code is amend-  
8 ed by striking “the sum of—” and all that follows  
9 and inserting “the standard deduction in effect  
10 under section 63(c)(1)(B).”.

11           (43) Section 5000A(b)(3)(A) of such Code is  
12 amended by striking “section 152” and inserting  
13 “section 7706”.

14           (44) Section 5000A(e)(4)(A) of such Code is  
15 amended by striking “the number of individuals for  
16 whom the taxpayer is allowed a deduction under sec-  
17 tion 151 (relating to allowance of deduction for per-  
18 sonal exemptions) for the taxable year” and insert-  
19 ing “the sum of 1 (2 in the case of a joint return)  
20 plus the number of the taxpayer’s dependents for  
21 the taxable year”.

22           (45) Section 6013(b)(3)(A) of such Code is  
23 amended—

1 (A) by striking “had less than the exemp-  
2 tion amount of gross income” in clause (ii) and  
3 inserting “had no gross income”,

4 (B) by striking “had gross income of the  
5 exemption amount or more” in clause (iii) and  
6 inserting “had any gross income”, and

7 (C) by striking the flush language fol-  
8 lowing clause (iii).

9 (46) Section 6103(l)(21)(A)(iii) of such Code is  
10 amended to read as follows:

11 “(iii) the number of the taxpayer’s de-  
12 pendants,”.

13 (47) Section 6213(g)(2) of such Code is amend-  
14 ed by striking subparagraph (H).

15 (48) Section 6334(d)(2) of such Code is amend-  
16 ed to read as follows:

17 “(2) EXEMPT AMOUNT.—

18 “(A) IN GENERAL.—For purposes of para-  
19 graph (1), the term ‘exempt amount’ means an  
20 amount equal to—

21 “(i) the sum of the amount deter-  
22 mined under subparagraph (B) and the  
23 standard deduction, divided by

24 “(ii) 52.

1           “(B) AMOUNT DETERMINED.—For pur-  
2           poses of subparagraph (A), the amount deter-  
3           mined under this subparagraph is \$4,150 multi-  
4           plied by the number of the taxpayer’s depend-  
5           ents for the taxable year in which the levy oc-  
6           curs.

7           “(C) INFLATION ADJUSTMENT.—In the  
8           case of any taxable year beginning after 2018,  
9           the \$4,150 amount in subparagraph (B) shall  
10          be increased by an amount 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, by substituting ‘calendar year 2017’  
16                           for ‘calendar year 2016’ in subparagraph  
17                           (A) thereof.

18          If any increase determined under the preceding  
19          sentence is not a multiple of \$100, such in-  
20          crease shall be rounded to the next lowest mul-  
21          tiple of \$100.

22          “(D) VERIFIED STATEMENT.—Unless the  
23          taxpayer submits to the Secretary a written and  
24          properly verified statement specifying the facts  
25          necessary to determine the proper amount

1 under subparagraph (A), subparagraph (A)  
2 shall be applied as if the taxpayer were a mar-  
3 ried individual filing a separate return with no  
4 dependents.”.

5 (49) Section 7702B(f)(2)(C)(iii) of such Code is  
6 amended by striking “section 152(d)(2)” and insert-  
7 ing “section 7706(d)(2)”.

8 (50) Section 7703(a) of such Code is amended  
9 by striking “part V of subchapter B of chapter 1  
10 and”.

11 (51) Section 7703(b)(1) of such Code is amend-  
12 ed by striking “section 152(f)(1)” and all that fol-  
13 lows and inserting “section 7706(f)(1),”.

14 (52) Section 7706(a) of such Code, as redesign-  
15 nated by this section, is amended by striking “this  
16 subtitle” and inserting “subtitle A”.

17 (53)(A) Section 7706(d)(1)(B) of such Code, as  
18 redesignated by this section, is amended by striking  
19 “the exemption amount (as defined in section  
20 151(d))” and inserting “\$4,150”.

21 (B) Section 7706(d) of such Code, as redesign-  
22 nated by this section, is amended by adding at the  
23 end the following new paragraph:

24 “(6) INFLATION ADJUSTMENT.—In the case of  
25 any calendar year beginning after 2018, the \$4,150

1 amount in paragraph (1)(B) shall be increased by an  
2 amount equal to—

3 “(A) such dollar amount, multiplied by  
4 “(B) the cost-of-living adjustment deter-  
5 mined under section 1(f)(3) for such calendar  
6 year, determined by substituting ‘calendar year  
7 2017’ for ‘calendar year 2016’ in subparagraph  
8 (A)(ii) thereof.

9 If any increase determined under the preceding sen-  
10 tence is not a multiple of \$100, such increase shall  
11 be rounded to the next lowest multiple of \$100.”.

12 (54) The table of sections for chapter 79 of  
13 such Code is amended by adding at the end the fol-  
14 lowing new item:

“Sec. 7706. Dependent defined.”.

15 (g) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to taxable years beginning after  
17 December 31, 2020.

18 **SEC. 12. PERMANENT EXTENSION OF LIMITATION ON DE-**  
19 **DUCTION FOR STATE AND LOCAL, ETC.,**  
20 **TAXES.**

21 (a) IN GENERAL.—Paragraph (6) of section 164(b)  
22 of the Internal Revenue Code of 1986 is amended—

23 (1) by striking “, and before January 1, 2026”,  
24 and

1           (2) by striking “2018 THROUGH 2025” in the  
2 heading and inserting “AFTER 2017”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2020.

6 **SEC. 13. PERMANENT EXTENSION OF LIMITATION ON DE-**  
7 **DUCTION FOR QUALIFIED RESIDENCE INTER-**  
8 **EST.**

9           (a) REPEAL OF HOME EQUITY INDEBTEDNESS.—

10           (1) IN GENERAL.—Section 163(h)(3)(A) of the  
11 Internal Revenue Code of 1986 is amended by strik-  
12 ing “during the taxable year on” and all that follows  
13 through “For purposes of” and inserting “during  
14 the taxable year on acquisition indebtedness with re-  
15 spect to any qualified principal residence of the tax-  
16 payer. For purposes of”.

17           (2) CONFORMING AMENDMENT.—Section  
18 163(h)(3) of such Code is amended by striking sub-  
19 paragraph (C).

20           (b) LIMITATION ON ACQUISITION INDEBTEDNESS.—

21           (1) IN GENERAL.—Section 163(h)(3)(B)(ii) of  
22 the Internal Revenue Code of 1986 is amended by  
23 striking “\$1,000,000 (\$500,000” and inserting  
24 “\$750,000 (\$375,000”.

1           (2) TREATMENT OF INDEBTEDNESS INCURRED  
2           ON OR BEFORE DECEMBER 31, 2017;  
3           REFINANCINGS.—Section 163(h)(3) of the Internal  
4           Revenue Code of 1986, as amended by subsection  
5           (a)(2), is amended by inserting after subparagraph  
6           (B) the following new subparagraph:

7                   “(C) TREATMENT OF INDEBTEDNESS IN-  
8                   CURRED ON OR BEFORE DECEMBER 15, 2017;  
9                   REFINANCINGS.—

10                   “(i) IN GENERAL.—In the case of any  
11                   indebtedness incurred on or before Decem-  
12                   ber 15, 2017, subparagraph (B)(ii) shall  
13                   apply as in effect immediately before the  
14                   enactment of the Public Law 115–97, and,  
15                   in applying such subparagraph to any in-  
16                   debtedness incurred after such date, the  
17                   limitation under such subparagraph shall  
18                   be reduced (but not below zero) by the  
19                   amount of any indebtedness incurred on or  
20                   before December 15, 2017, which is treat-  
21                   ed as acquisition indebtedness for purposes  
22                   of this subsection for the taxable year.

23                   “(ii) BINDING CONTRACT EXCEP-  
24                   TION.—In the case of a taxpayer who en-  
25                   ters into a written binding contract before



1 December 15, 2017, to close on the pur-  
2 chase of a principal residence before Janu-  
3 ary 1, 2018, and who purchases such resi-  
4 dence before April 1, 2018, subclause (III)  
5 shall be applied by substituting ‘April 1,  
6 2018’ for ‘December 15, 2017’.

7 “(iii) TREATMENT OF REFINANCINGS  
8 OF INDEBTEDNESS.—

9 “(I) IN GENERAL.—In the case  
10 of any indebtedness which is incurred  
11 to refinance indebtedness, such refi-  
12 nanced indebtedness shall be treated  
13 for purposes of clause (i) as incurred  
14 on the date that the original indebted-  
15 ness was incurred to the extent the  
16 amount of the indebtedness resulting  
17 from such refinancing does not exceed  
18 the amount of the refinanced indebt-  
19 edness.

20 “(II) LIMITATION ON PERIOD OF  
21 REFINANCING.—Subclause (I) shall  
22 not apply to any indebtedness after  
23 the expiration of the term of the origi-  
24 nal indebtedness or, if the principal of  
25 such original indebtedness is not am-

1                   ortized over its term, the expiration of  
 2                   the term of the 1st refinancing of  
 3                   such indebtedness (or if earlier, the  
 4                   date which is 30 years after the date  
 5                   of such 1st refinancing).”.

6           (c) COORDINATION WITH EXCLUSION OF INCOME  
 7 FROM DISCHARGE OF INDEBTEDNESS.—Section  
 8 108(h)(2) of the Internal Revenue Code of 1986 is amend-  
 9 ed by striking “, applied by substituting” and all that fol-  
 10 lows through “section 163(h)(3)(F)(i)(II)”.

11          (d) CONFORMING AMENDMENTS.—Section 163(h)(3)  
 12 of the Internal Revenue Code of 1986 is amended—

13               (1) in the heading of subparagraph (D)(ii), by  
 14               striking “\$1,000,000”, and

15               (2) by striking subparagraph (F).

16          (e) EFFECTIVE DATE.—The amendments made by  
 17 this section shall apply to taxable years beginning after  
 18 December 31, 2020.

19 **SEC. 14. PERMANENT EXTENSION OF MODIFICATIONS TO**  
 20                   **DEDUCTION FOR PERSONAL CASUALTY**  
 21                   **LOSSES.**

22          (a) IN GENERAL.—Paragraph (5) of section 165(h)  
 23 of the Internal Revenue Code of 1986 is amended—

24               (1) by striking “, and before January 1, 2026”  
 25               in subparagraph (A), and

1           (2) by striking “2018 THROUGH 2025” in the  
2 heading and inserting “AFTER 2017”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to losses incurred in taxable years  
5 beginning after December 31, 2020.

6 **SEC. 15. REPEAL OF MISCELLANEOUS ITEMIZED DEDUC-**  
7 **TIONS.**

8           (a) IN GENERAL.—Section 67 of the Internal Rev-  
9 enue Code of 1986 is amended—

10           (1) by striking subsection (a) and inserting the  
11 following:

12           “(a) GENERAL RULE.—No miscellaneous itemized  
13 deduction shall be allowed for any taxable year beginning  
14 after December 31, 2017.”,

15           (2) by striking subsection (g), and

16           (3) by striking “**2-PERCENT FLOOR ON**” in  
17 the heading and inserting “**TREATMENT OF**”.

18           (b) CONFORMING AMENDMENT.—The table of sec-  
19 tions for part I of subchapter B of chapter 1 of the Inter-  
20 nal Revenue Code of 1986 is amended by striking “2-per-  
21 cent floor on” in the item relating to section 67 and insert-  
22 ing “Treatment of”.

23           (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to taxable years beginning after  
25 December 31, 2020.

1 **SEC. 16. REPEAL OF OVERALL LIMITATION ON ITEMIZED**  
2 **DEDUCTIONS.**

3 (a) IN GENERAL.—Part 1 of subchapter B of chapter  
4 1 of the Internal Revenue Code of 1986 is amended by  
5 striking section 68 (and the item relating to such section  
6 in the table of sections for such part).

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 1(f)(7) of the Internal Revenue  
9 Code of 1986 is amended by striking “section  
10 68(b)(2),”.

11 (2) Section 56(b)(1) of such Code is amended  
12 by striking subparagraph (F).

13 (3) Section 164(b)(5)(H)(ii)(III) of such Code  
14 is amended by inserting “(as in effect before the  
15 date of the enactment of the Tax Cuts and Jobs  
16 Act)” after “68(b)”.

17 (4) Section 642(b)(2)(C)(i)(I) of such Code is  
18 amended by striking “as an individual described in  
19 section 68(b)(1)(C)” and inserting “as an individual  
20 who is not married and who is not a surviving  
21 spouse or head of household”.

22 (5) Section 773(a)(3)(B) of such Code is  
23 amended by striking clause (i) and redesignating  
24 clauses (ii) through (iv) as clauses (i) through (iii),  
25 respectively.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2020.

4 **SEC. 17. REPEAL OF EXCLUSION FOR QUALIFIED BICYCLE**  
5 **COMMUTING REIMBURSEMENT.**

6 (a) IN GENERAL.—Section 132(f)(1) of the Internal  
7 Revenue Code of 1986 is amended by striking subpara-  
8 graph (D).

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 132(f)(2) of the Internal Revenue  
11 Code of 1986 is amended by inserting “and” at the  
12 end of subparagraph (A), by striking “, and” at the  
13 end of subparagraph (B) and inserting a period, and  
14 by striking subparagraph (C).

15 (2) Section 132(f)(4) of such Code is amended  
16 by striking “(other than a qualified bicycle com-  
17 muting reimbursement)”.

18 (3) Section 132(f)(5) of such Code is amended  
19 by striking subparagraph (F).

20 (4) Section 132(f) of such Code is amended by  
21 striking paragraph (8).

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2020.

1 **SEC. 18. PERMANENT EXTENSION OF MODIFICATION OF EX-**  
2 **CLUSION FOR QUALIFIED MOVING EXPENSE**  
3 **REIMBURSEMENT.**

4 (a) IN GENERAL.—Section 132(g) of the Internal  
5 Revenue Code of 1986 is amended—

6 (1) in paragraph (1), by striking “individual”  
7 and inserting “qualified military member”, and

8 (2) by striking paragraph (2) and inserting the  
9 following:

10 “(2) QUALIFIED MILITARY MEMBER.—For pur-  
11 poses of paragraph (1), the term ‘qualified military  
12 member’ means a member of the Armed Forces of  
13 the United States on active duty who moves pursu-  
14 ant to a military order and incident to a permanent  
15 change of station.”.

16 (b) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2020.

19 **SEC. 19. REPEAL OF DEDUCTION FOR MOVING EXPENSES.**

20 (a) IN GENERAL.—Subsection (a) of section 217 of  
21 the Internal Revenue Code of 1986 is amended to read  
22 as follows:

23 “(a) DEDUCTION ALLOWED.—There shall be allowed  
24 as a deduction moving expenses paid or incurred during  
25 the taxable year in connection with the commencement of  
26 work by a member of the Armed Forces of the United

1 States on active duty who moves pursuant to a military  
2 order and incident to a permanent change of station.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 217 of the Internal Revenue Code  
5 of 1986 is amended—

6 (A) by striking subsections (c), (d), (f),  
7 and (i),

8 (B) by redesignating subsections (g), (h),  
9 and (j) as subsections (c), (d), and (e), respec-  
10 tively, and

11 (C) in subsection (c), as so redesignated—

12 (i) by striking paragraph (1) and re-  
13 designating paragraphs (2) and (3) as  
14 paragraphs (1) and (2), respectively, and

15 (ii) in paragraph (2) (as so redesign-  
16 ated), by striking “moving expenses of his  
17 spouse and dependents” and all that fol-  
18 lows and inserting “moving expenses of his  
19 spouse and dependents as if his spouse  
20 commenced work as an employee at a new  
21 principal place of work at such location.”.

22 (2) Section 23 of such Code is amended by  
23 striking “217(h)(3)” each place it appears in sub-  
24 sections (d)(3) and (e) and inserting “217(d)(3)”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2020.

4 **SEC. 20. PERMANENT EXTENSION OF LIMITATION ON WA-**  
5 **GERING LOSSES.**

6 (a) IN GENERAL.—The second sentence of section  
7 165(d) of the Internal Revenue Code of 1986 is amended  
8 by striking “in the case of taxable years beginning after  
9 December 31, 2017, and before January 1, 2026,”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall not apply to taxable years beginning  
12 after December 31, 2020.

13 **SEC. 21. INCREASE IN ESTATE AND GIFT TAX EXEMPTION**  
14 **MADE PERMANENT.**

15 (a) IN GENERAL.—Section 2010(c)(3)(A) of the In-  
16 ternal Revenue Code of 1986 is amended by striking  
17 “\$5,000,000” and inserting “\$10,000,000”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 2010(c)(3) of the Internal Revenue  
20 Code of 1986 is amended by striking subparagraph  
21 (C).

22 (2) Subsection (g) of section 2001 of such Code  
23 is amended to read as follows:

24 “(g) MODIFICATIONS TO GIFT TAX PAYABLE TO RE-  
25 FLECT DIFFERENT TAX RATES.—For purposes of apply-



1 ing subsection (b)(2) with respect to 1 or more gifts, the  
 2 rates of tax under subsection (c) in effect at the decedent’s  
 3 death shall, in lieu of the rates of tax in effect at the time  
 4 of such gifts, be used both to compute—

5 “(1) the tax imposed by chapter 12 with respect  
 6 to such gifts, and

7 “(2) the credit allowed against such tax under  
 8 section 2505, including in computing—

9 “(A) the applicable credit amount under  
 10 section 2505(a)(1), and

11 “(B) the sum of the amounts allowed as a  
 12 credit for all preceding periods under section  
 13 2505(a)(2).”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to estates of decedents dying and  
 16 gifts made after December 31, 2020.

17 **SEC. 22. INCREASE IN ALTERNATIVE MINIMUM TAX EXEMP-**  
 18 **TION MADE PERMANENT.**

19 (a) IN GENERAL.—Section 55(d) of the Internal Rev-  
 20 enue Code of 1986 is amended—

21 (1) in paragraph (1)—

22 (A) by striking “\$78,750” in subparagraph

23 (A) and inserting “\$109,400”, and

24 (B) by striking “\$50,600” in subpara-

25 graph (B) and inserting “\$70,300”, and

1 (2) in paragraph (2)—

2 (A) by striking “\$150,000” in subpara-  
3 graph (A) and inserting “\$1,000,000”, and

4 (B) by striking subparagraphs (B) and (C)  
5 and inserting the following:

6 “(B) 50 percent of the dollar amount ap-  
7 plicable under subparagraph (A) in the case of  
8 a taxpayer described in subparagraph (B) or  
9 (C) of paragraph (1), and

10 “(C) 50 percent of \$150,000 in the case of  
11 a taxpayer described in paragraph (1)(D).”.

12 (b) INFLATION ADJUSTMENT.—

13 (1) IN GENERAL.—Section 55(d)(3)(A)(ii) of  
14 the Internal Revenue Code of 1986 is amended to  
15 read as follows:

16 “(ii) the cost-of-living adjustment de-  
17 termined under section 1(f)(3) for the cal-  
18 endar year in which the taxable year be-  
19 gins, by substituting for ‘calendar year  
20 2016’ in subparagraph (A)(ii) thereof—

21 “(I) ‘calendar year 2011’ in the  
22 case of the dollar amounts described  
23 in clauses (i), (iv), and (v) of subpara-  
24 graph (B), and

1                   “(II) ‘calendar year 2017’ in the  
2                   case of the dollar amounts described  
3                   in clauses (ii) and (iii) of subpara-  
4                   graph (B).”.

5                   (2) CONFORMING AMENDMENTS.—Section  
6                   55(d)(3)(B) of such Code is amended—

7                   (A) by striking “subparagraphs (A), (B),  
8                   and (D) of paragraph (1), and” in clause (ii)  
9                   and inserting “subparagraphs (A) and (B) of  
10                  paragraph (1),”,

11                  (B) by striking “subparagraphs (A) and  
12                  (B) of paragraph (2).” in clause (iii) and in-  
13                  serting “paragraph (2)(A),”, and

14                  (C) by adding at the end the following:

15                         “(iv) the dollar amount contained in  
16                         paragraph (1)(D), and

17                         “(v) the dollar amount contained in  
18                         paragraph (2)(C).”.

19                  (c) TREATMENT OF UNEARNED INCOME OF MINOR  
20 CHILDREN.—Section 59 of the Internal Revenue Code of  
21 1986 is amended by striking subsection (j).

22                  (d) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years beginning after  
24 December 31, 2020.

1 **SEC. 23. TECHNICAL AMENDMENT.**

2 Section 11000 of Public Law 115–97 is amended by  
3 redesignating subsection (a) as subsection (b) and by in-  
4 serting before subsection (b) (as so redesignated) the fol-  
5 lowing new subsection:

6 “(a) **SHORT TITLE.**—This title may be cited as the  
7 ‘Tax Cuts and Jobs Act’.”

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