

115TH CONGRESS
2D SESSION

S. 2687

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

IN THE SENATE OF THE UNITED STATES

APRIL 17, 2018

Mr. CRUZ introduced the following bill; which was read twice and referred to the Committee on Finance

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-

1 section (a) of section 1 of the Internal Revenue Code of
2 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.”.

3 (b) HEADS OF HOUSEHOLDS.—The table contained
4 in subsection (b) of section 1 of the Internal Revenue Code
5 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.”.

6 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-
7 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The

1 table contained in subsection (c) of section 1 of the Inter-
 2 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.
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 ex- cess over \$500,000.”.

3 (d) MARRIED INDIVIDUALS FILING SEPARATE RE-
 4 TURNS.—The table contained in subsection (d) of section
 5 1 of the Internal Revenue Code of 1986 is amended to
 6 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.
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.”.

1 (e) ESTATES AND TRUSTS.—The table contained in
 2 subsection (e) 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 \$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.”.

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

7 (1) by striking “1993” in paragraph (1) and in-
 8 serting “2018”,

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

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

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

1 (5) by striking paragraph (8).

2 (g) SPECIAL RULES FOR CERTAIN CHILDREN WITH
3 UNEARNED INCOME.—Subsection (g) of section 1 of the
4 Internal Revenue Code of 1986 is amended—

5 (1) by striking paragraphs (1), (3), and (5),

6 (2) by redesignating paragraphs (4), (6), and
7 (7) as paragraphs (5), (7), and (8), respectively,

8 (3) by redesignating paragraph (2) as para-
9 graph (6) and by moving such paragraph to the po-
10 sition between paragraphs (5) and (7) (as so redesi-
11 gnated),

12 (4) by inserting before paragraph (5) (as so re-
13 designated) the following new paragraphs:

14 “(1) IN GENERAL.—In the case of a child to
15 whom this subsection applies for the taxable year,
16 the amount of tax imposed by this section on such
17 child shall be determined as provided in paragraphs
18 (2) and (3).

19 “(2) MODIFICATIONS TO APPLICABLE RATE
20 BRACKETS.—The income tax table otherwise applica-
21 ble under this section to the child shall be applied
22 with the following modifications:

23 “(A) 24-PERCENT BRACKET.—The max-
24 imum taxable income which is taxed at a rate

1 below 24 percent shall not be more than the
2 sum of—

3 “(i) the earned taxable income of such
4 child, plus

5 “(ii) the minimum taxable income for
6 the 24-percent bracket in the table under
7 subsection (e) (as adjusted under sub-
8 section (f)) for the taxable year.

9 “(B) 35-PERCENT BRACKET.—The max-
10 imum taxable income which is taxed at a rate
11 below 35 percent shall not be more than the
12 sum of—

13 “(i) the earned taxable income of such
14 child, plus

15 “(ii) the minimum taxable income for
16 the 35-percent bracket in the table under
17 subsection (e) (as adjusted under sub-
18 section (f)) for the taxable year.

19 “(C) 37-PERCENT BRACKET.—The max-
20 imum taxable income which is taxed at a rate
21 below 37 percent shall not be more than the
22 sum of—

23 “(i) the earned taxable income of such
24 child, plus

1 “(ii) the minimum taxable income for
2 the 37-percent bracket in the table under
3 subsection (e) (as adjusted under sub-
4 section (f)) for the taxable year.

5 “(3) COORDINATION WITH CAPITAL GAINS
6 RATES.—For purposes of applying subsection (h)—

7 “(A) the maximum zero rate amount shall
8 not be more than the sum of—

9 “(i) the earned taxable income of such
10 child, plus

11 “(ii) the amount in effect under sub-
12 section (h)(12)(A)(iv) for the taxable year,
13 and

14 “(B) the maximum 15-percent rate
15 amount shall not be more than the sum of—

16 “(i) the earned taxable income of such
17 child, plus

18 “(ii) the amount in effect under sub-
19 section (h)(12)(B)(iv) for the taxable year.

20 “(4) EARNED TAXABLE INCOME.—For purposes
21 of this subsection, the term ‘earned taxable income’
22 means, with respect to any child for any taxable
23 year, the taxable income of such child reduced (but
24 not below zero) by the net unearned income of such
25 child.”, and

1 (5) by striking “paragraph (4)(A)(ii)(I)” each
2 place it appears in subparagraphs (A)(ii), (B)(i),
3 and (B)(ii)(II) of paragraph (8) (as so redesignated)
4 and inserting “paragraph (5)(A)(ii)(I)”.

5 (h) CAPITAL GAINS BRACKETS.—Subsection (h) of
6 section 1 of the Internal Revenue Code of 1986 is amend-
7 ed—

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

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

16 (3) by adding at the end the following new
17 paragraph:

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

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

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

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

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

8 “(iv) in the case of an estate or trust,
9 \$2,600.

10 “(B) MAXIMUM 15-PERCENT RATE
11 AMOUNT.—The maximum 15-percent rate
12 amount shall be—

13 “(i) in the case of a joint return or
14 surviving spouse, \$479,000 ($\frac{1}{2}$ such
15 amount in the case of a married individual
16 filing a separate return),

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

20 “(iii) in the case of any other indi-
21 vidual (other than an estate or trust),
22 \$425,800, and

23 “(iv) in the case of an estate or trust,
24 \$12,700.

1 “(C) INFLATION ADJUSTMENT.—In the
2 case of any taxable year beginning after 2018,
3 each of the dollar amounts in subparagraphs
4 (A) and (B) shall be increased by an amount
5 equal to—

6 “(i) such dollar amount, multiplied by

7 “(ii) the cost-of-living adjustment de-
8 termined under subsection (f)(3) for the
9 calendar year in which the taxable year be-
10 gins, determined by substituting ‘calendar
11 year 2017’ for ‘calendar year 2016’ in sub-
12 paragraph (A)(ii) thereof.

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

16 (i) CONFORMING AMENDMENTS.—

17 (1) Section 1 of the Internal Revenue Code of
18 1986 is amended by striking subsections (i) and (j).

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

22 (j) SECTION 15 NOT TO APPLY.—Section 15 of the
23 Internal Revenue Code of 1986 shall not apply to any
24 change in a rate of tax by reason of this section.

1 (k) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2018.

4 **SEC. 2. PERMANENT EXTENSION OF DEDUCTION FOR**
5 **QUALIFIED BUSINESS INCOME OF PASS-THRU**
6 **ENTITIES.**

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

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2017.

12 **SEC. 3. PERMANENT EXTENSION OF LIMITATION ON**
13 **LOSSES FOR TAXPAYERS OTHER THAN COR-**
14 **PORATIONS.**

15 (a) IN GENERAL.—Paragraph (1) of section 461(l)
16 of the Internal Revenue Code of 1986 is amended to read
17 as follows:

18 “(1) LIMITATION.—In the case of taxable year
19 of a taxpayer other than a corporation, any excess
20 business loss of the taxpayer for the taxable year
21 shall not be allowed.”.

22 (b) CONFORMING AMENDMENT.—Section 461 of the
23 Internal Revenue Code of 1986 is amended by striking
24 subsection (j) (relating to limitation on excess farm losses
25 of certain taxpayers).

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

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

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

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

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

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

15 “(4) ADJUSTMENTS FOR INFLATION.—

16 “(A) IN GENERAL.—In the case of any
17 taxable year beginning in a calendar year after
18 2018, the \$18,000 and \$12,000 amounts in
19 subparagraph (A) shall each be increased by an
20 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 ‘2017’ for ‘2016’ in
2 subparagraph (A)(ii) thereof.

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

8 “(i) such dollar amount, multiplied by

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

14 “(I) ‘calendar year 1987’ in the
15 case of the dollar amounts contained
16 in paragraph (5)(A) or subsection (f),
17 and

18 “(II) ‘calendar year 1997’ in the
19 case of the dollar amount contained in
20 paragraph (5)(B).”.

21 (c) CONFORMING AMENDMENT.—Section 63(c) of the
22 Internal Revenue Code of 1986 is amended by striking
23 paragraph (7).

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

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

6 (a) INCREASE IN CREDIT AMOUNT.—Section 24(a) of
7 the Internal Revenue Code of 1986 is amended by striking
8 “\$1,000” and inserting “\$2,000”.

9 (b) LIMITATION.—Paragraph (2) of section 24(b) of
10 the Internal Revenue Code of 1986 is amended to read
11 as follows:

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

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

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

17 (c) PARTIAL CREDIT ALLOWED FOR CERTAIN
18 OTHER DEPENDENTS.—Subsection (h) of section 24 of
19 the Internal Revenue Code of 1986 is amended to read
20 as follows:

21 “(h) PARTIAL CREDIT ALLOWED FOR CERTAIN
22 OTHER DEPENDENTS.—

23 “(1) IN GENERAL.—The credit determined
24 under subsection (a) shall be increased by \$500 for
25 each dependent of the taxpayer (as defined in sec-

1 tion 7706) other than a qualifying child described in
2 subsection (c).

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

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

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

18 “(3) LIMITATION.—

19 “(A) IN GENERAL.—The amount deter-
20 mined under paragraph (1)(A) with respect to
21 any qualifying child shall not exceed \$1,400,
22 and such paragraph shall be applied without re-
23 gard to subsection (h).

24 “(B) ADJUSTMENT FOR INFLATION.—In
25 the case of a taxable year beginning after 2018,

1 the \$1,400 amount in subparagraph (A) shall
 2 be increased by an amount equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-
 5 termined under section 1(f)(3) for the cal-
 6 endar year in which the taxable year be-
 7 gins, determined by substituting ‘2017’ for
 8 ‘2016’ in subparagraph (A)(ii) thereof.

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

12 (e) EARNED INCOME THRESHOLD FOR REFUNDABLE
 13 CREDIT.—Section 24(d)(1)(B) of the Internal Revenue
 14 Code of 1986 is amended by striking “\$3,000” and insert-
 15 ing “\$2,500”.

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

19 “(1) QUALIFYING CHILD SOCIAL SECURITY
 20 NUMBER REQUIREMENT.—No credit shall be allowed
 21 under this section to a taxpayer with respect to any
 22 qualifying child unless the taxpayer includes the
 23 name and social security number of such child on
 24 the return of tax for the taxable year. For purposes
 25 of the preceding sentence, the term ‘social security

1 number' means a social security number issued to an
2 individual by the Social Security Administration, but
3 only if the social security number is issued—

4 “(A) to a citizen of the United States or
5 pursuant to subclause (I) (or that portion of
6 subclause (III) that relates to subclause (I)) of
7 section 205(c)(2)(B)(i) of the Social Security
8 Act, and

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

10 (g) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2017.

13 **SEC. 6. PERMANENT EXTENSION OF INCREASED LIMITA-**
14 **TION FOR CERTAIN CHARITABLE CONTRIBU-**
15 **TIONS.**

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

18 (1) by striking “for any taxable year beginning
19 after December 31, 2017, and before January 1,
20 2026,” in clause (i),

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

23 (3) by striking “For each taxable year de-
24 scribed in clause (i), and each taxable year to which
25 any contribution under this subparagraph is carried

1 over under clause (ii), subparagraph (A)” in clause
2 (iii) and inserting “Subparagraph (A)”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to contributions in taxable years
5 beginning after December 31, 2025.

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

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

11 (b) ALLOWANCE OF SAVERS CREDIT.—Section
12 25B(d)(1)(D) of the Internal Revenue Code of 1986 is
13 amended by striking “before January 1, 2026,”.

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

17 **SEC. 8. PERMANENT EXTENSION OF ROLLOVERS TO ABLE**
18 **PROGRAMS FROM 529 PROGRAMS.**

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

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to distributions made after the
23 date of the enactment of this Act.

1 **SEC. 9. PERMANENT EXTENSION OF TREATMENT OF CER-**
2 **TAIN INDIVIDUALS PERFORMING SERVICES**
3 **IN THE SINAI PENINSULA OF EGYPT.**

4 (a) **IN GENERAL.**—Subsection (c) of section 11026
5 of Public Law 115–97 is amended—

6 (1) by striking “beginning before January 1,
7 2026” in paragraph (1)(B), and

8 (2) by striking “beginning before January 1,
9 2026” in paragraph (2)(B).

10 (b) **EFFECTIVE DATE.**—The amendments made by
11 this section shall take effect on the date of the enactment
12 of this Act.

13 **SEC. 10. PERMANENT EXTENSION OF REDUCTION IN MED-**
14 **ICAL EXPENSE DEDUCTION FLOOR.**

15 (a) **REDUCTION.**—

16 (1) **IN GENERAL.**—Section 213(a) of the Inter-
17 nal Revenue Code of 1986 is amended by striking
18 “10 percent” and inserting “7.5 percent”.

19 (2) **CONFORMING AMENDMENT.**—Section 213
20 of the Internal Revenue Code of 1986 is amended by
21 striking subsection (f).

22 (b) **REPEAL OF MINIMUM TAX PREFERENCE.**—Sec-
23 tion 56(b)(1) of the Internal Revenue Code of 1986 is
24 amended by striking subparagraph (B).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2016.

4 **SEC. 11. PERMANENT EXTENSION OF TREATMENT OF STU-**
5 **DENT LOANS DISCHARGED ON ACCOUNT OF**
6 **DEATH OR DISABILITY.**

7 (a) IN GENERAL.—Subparagraph (A) of section
8 108(f)(5) of the Internal Revenue Code of 1986 is amend-
9 ed by striking “and before January 1, 2026,”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to discharges of indebtedness after
12 December 31, 2017.

13 **SEC. 12. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-**
14 **TIONS.**

15 (a) IN GENERAL.—Part V of subchapter B of chapter
16 1 of the Internal Revenue Code of 1986 is hereby repealed.

17 (b) DEFINITION OF DEPENDENT RETAINED.—Sec-
18 tion 152 of the Internal Revenue Code of 1986, prior to
19 repeal by subsection (a), is hereby redesignated as section
20 7706 of such Code and moved to the end of chapter 79
21 of such Code.

22 (c) APPLICATION TO ESTATES AND TRUSTS.—Sub-
23 paragraph (C) of section 642(b)(2) of the Internal Rev-
24 enue Code of 1986 is amended—

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

4 (2) by striking clause (iii) and inserting the fol-
5 lowing:

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

11 “(I) such dollar amount, multi-
12 plied by

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

19 If any increase determined under the pre-
20 ceding sentence is not a multiple of \$100,
21 such increase shall be rounded to the next
22 lowest multiple of \$100.”.

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

1 (e) MODIFICATION OF RETURN REQUIREMENT.—

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

4 (A) by striking paragraph (1) of subsection
5 (a) and inserting the following:

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

9 “(A) an individual who is not married (de-
10 termined by applying section 7703) and who
11 has gross income for the taxable year which
12 does not exceed the standard deduction applica-
13 ble to such individual for such taxable year
14 under section 63, or

15 “(B) an individual entitled to make a joint
16 return if—

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

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

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

6 “(iv) neither such individual nor such
7 individual’s spouse is an individual de-
8 scribed in section 63(c)(2) who has income
9 (other than earned income) in excess of the
10 amount in effect under section
11 63(c)(2)(A).”, and

12 (B) by striking subsection (f).

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

19 (f) CONFORMING AMENDMENTS.—

20 (1) Section 2(a)(1)(B) of the Internal Revenue
21 Code of 1986 is amended by striking “a dependent”
22 and all that follows through “section 151” and in-
23 serting “a dependent who (within the meaning of
24 section 7706, determined without regard to sub-
25 sections (b)(1), (b)(2) and (d)(1)(B) thereof) is a

1 son, stepson, daughter, or stepdaughter of the tax-
2 payer”.

3 (2) Section 36B(b)(2)(A) of such Code is
4 amended by striking “section 152” and inserting
5 “section 7706”.

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

12 (4) Section 36B(c)(1)(D) of such Code is
13 amended by striking “with respect to whom a deduc-
14 tion under section 151 is allowable to another tax-
15 payer” and inserting “who is a dependent of another
16 taxpayer”.

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

1 (6) Section 36B(e)(1) of such Code is amended
2 by striking “1 or more individuals for whom a tax-
3 payer is allowed a deduction under section 151 (re-
4 lating to allowance of deduction for personal exemp-
5 tions) for the taxable year (including the taxpayer or
6 his spouse)” and inserting “1 or more of the tax-
7 payer, the taxpayer’s spouse, or any dependent of
8 the taxpayer”.

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

11 (A) by striking “section 152” and insert-
12 ing “section 7706”, and

13 (B) by striking the period at the end and
14 inserting a comma.

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

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

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

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

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

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

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

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

11 (13) Section 105(c)(1) of such Code is amended
12 by striking “section 152” and inserting “section
13 7706”.

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

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

18 (A) by striking “with respect to whom, for
19 such taxable year, a deduction is allowable
20 under section 151(e) (relating to personal ex-
21 emptions for dependents) to” in paragraph (1)
22 and inserting “who is a dependent of”, and

23 (B) by striking “section 152(f)(1)” in
24 paragraph (2) and inserting “section
25 7706(f)(1)”.

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

3 (A) by striking “section 152(f)(1)” and in-
4 sserting “section 7706(f)(1)”, and

5 (B) by striking “section 152(e)” and in-
6 sserting “section 7706(e)”.

7 (17) Section 139D(c)(5) of such Code is
8 amended by striking “section 152” and inserting
9 “section 7706”.

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

13 (19) Section 170(g)(1) of such Code is amend-
14 ed by striking “section 152” and inserting “section
15 7706”.

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

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

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

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

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

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

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

14 (27) Section 402(l)(4)(D) of such Code is
15 amended by striking “section 152” and inserting
16 “section 7706”.

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

20 (29) Section 501(e)(9) of such Code is amended
21 by striking “section 152(f)(1)” and inserting “sec-
22 tion 7706(f)(1)”.

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

1 (31) Section 703(a)(2) of such Code is amended
2 by striking subparagraph (A) and by redesignating
3 subparagraphs (B) through (F) as subparagraphs
4 (A) through (E), respectively.

5 (32) Section 874 of such Code is amended by
6 striking subsection (b) and by redesignating sub-
7 section (c) as subsection (b).

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

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

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

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

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

19 (B) by striking “(other than the deduction
20 for personal exemptions under section 151)” in
21 paragraph (2).

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

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

4 (38) Section 1361(e)(1)(C) of such Code is
5 amended by striking “section 152(f)(1)(C)” and in-
6 serting “section 7706(f)(1)(C)”.

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

9 (40) Section 2032A(e)(7)(D) of such Code is
10 amended by striking “section 152(f)(2)” and insert-
11 ing “section 7706(f)(2)”.

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

15 (42) Section 3402(r)(2) of such Code is amend-
16 ed by striking “the sum of—” and all that follows
17 and inserting “the standard deduction in effect
18 under section 63(e)(1)(B).”.

19 (43) Section 5000A(b)(3)(A) of such Code is
20 amended by striking “section 152” and inserting
21 “section 7706”.

22 (44) Section 5000A(e)(4)(A) of such Code is
23 amended by striking “the number of individuals for
24 whom the taxpayer is allowed a deduction under sec-
25 tion 151 (relating to allowance of deduction for per-

1 sonal exemptions) for the taxable year” and insert-
2 ing “the sum of 1 (2 in the case of a joint return)
3 plus the number of the taxpayer’s dependents for
4 the taxable year”.

5 (45) Section 6013(b)(3)(A) of such Code is
6 amended—

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

10 (B) by striking “had gross income of the
11 exemption amount or more” in clause (iii) and
12 inserting “had any gross income”, and

13 (C) by striking the flush language fol-
14 lowing clause (iii).

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

17 “(iii) the number of the taxpayer’s de-
18 pendents,”.

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

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

23 “(2) EXEMPT AMOUNT.—

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

4 “(i) the sum of the amount deter-
5 mined under subparagraph (B) and the
6 standard deduction, divided by

7 “(ii) 52.

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

14 “(C) INFLATION ADJUSTMENT.—In the
15 case of any taxable year beginning after 2018,
16 the \$4,150 amount in subparagraph (B) shall
17 be increased by an amount equal to—

18 “(i) such dollar amount, multiplied by

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

1 If any increase determined under the preceding
2 sentence is not a multiple of \$100, such in-
3 crease shall be rounded to the next lowest mul-
4 tiple of \$100.

5 “(D) VERIFIED STATEMENT.—Unless the
6 taxpayer submits to the Secretary a written and
7 properly verified statement specifying the facts
8 necessary to determine the proper amount
9 under subparagraph (A), subparagraph (A)
10 shall be applied as if the taxpayer were a mar-
11 ried individual filing a separate return with no
12 dependents.”.

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

16 (50) Section 7703(a) of such Code is amended
17 by striking “part V of subchapter B of chapter 1
18 and”.

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

22 (52) Section 7706(a) of such Code, as redesign-
23 ated by this section, is amended by striking “this
24 subtitle” and inserting “subtitle A”.

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

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

8 “(6) INFLATION ADJUSTMENT.—In the case of
9 any calendar year beginning after 2018, the \$4,150
10 amount in paragraph (1)(B) shall be increased by an
11 amount equal to—

12 “(A) such dollar amount, multiplied by

13 “(B) the cost-of-living adjustment deter-
14 mined under section 1(f)(3) for such calendar
15 year, determined by substituting ‘calendar year
16 2017’ for ‘calendar year 2016’ in subparagraph
17 (A)(ii) thereof.

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

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

“Sec. 7706. Dependent defined.”.

1 (g) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 13. PERMANENT EXTENSION OF LIMITATION ON DE-**
5 **DUCTION FOR STATE AND LOCAL, ETC.,**
6 **TAXES.**

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

9 (1) by striking “, and before January 1, 2026”,
10 and

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

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2016.

16 **SEC. 14. PERMANENT EXTENSION OF LIMITATION ON DE-**
17 **DUCTION FOR QUALIFIED RESIDENCE INTER-**
18 **EST.**

19 (a) REPEAL OF HOME EQUITY INDEBTEDNESS.—

20 (1) IN GENERAL.—Section 163(h)(3)(A) of the
21 Internal Revenue Code of 1986 is amended by strik-
22 ing “during the taxable year on” and all that follows
23 through “For purposes of” and inserting “during
24 the taxable year on acquisition indebtedness with re-

1 spect to any qualified principal residence of the tax-
2 payer. For purposes of”.

3 (2) CONFORMING AMENDMENT.—Section
4 163(h)(3) of such Code is amended by striking sub-
5 paragraph (C).

6 (b) LIMITATION ON ACQUISITION INDEBTEDNESS.—

7 (1) IN GENERAL.—Section 163(h)(3)(B)(ii) of
8 the Internal Revenue Code of 1986 is amended by
9 striking “\$1,000,000 (\$500,000” and inserting
10 “\$750,000 (\$375,000”.

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

17 “(C) TREATMENT OF INDEBTEDNESS IN-
18 CURRED ON OR BEFORE DECEMBER 15, 2017;
19 REFINANCINGS.—

20 “(i) IN GENERAL.—In the case of any
21 indebtedness incurred on or before Decem-
22 ber 15, 2017, subparagraph (B)(ii) shall
23 apply as in effect immediately before the
24 enactment of the Public Law 115–97, and,
25 in applying such subparagraph to any in-

1 debtedness incurred after such date, the
2 limitation under such subparagraph shall
3 be reduced (but not below zero) by the
4 amount of any indebtedness incurred on or
5 before December 15, 2017, which is treat-
6 ed as acquisition indebtedness for purposes
7 of this subsection for the taxable year.

8 “(ii) BINDING CONTRACT EXCEP-
9 TION.—In the case of a taxpayer who en-
10 ters into a written binding contract before
11 December 15, 2017, to close on the pur-
12 chase of a principal residence before Janu-
13 ary 1, 2018, and who purchases such resi-
14 dence before April 1, 2018, subclause (III)
15 shall be applied by substituting ‘April 1,
16 2018’ for ‘December 15, 2017’.

17 “(iii) TREATMENT OF REFINANCINGS
18 OF INDEBTEDNESS.—

19 “(I) IN GENERAL.—In the case
20 of any indebtedness which is incurred
21 to refinance indebtedness, such refi-
22 nanced indebtedness shall be treated
23 for purposes of clause (i) as incurred
24 on the date that the original indebted-
25 ness was incurred to the extent the

1 amount of the indebtedness resulting
2 from such refinancing does not exceed
3 the amount of the refinanced indebt-
4 edness.

5 “(II) LIMITATION ON PERIOD OF
6 REFINANCING.—Subclause (I) shall
7 not apply to any indebtedness after
8 the expiration of the term of the origi-
9 nal indebtedness or, if the principal of
10 such original indebtedness is not am-
11 ortized over its term, the expiration of
12 the term of the 1st refinancing of
13 such indebtedness (or if earlier, the
14 date which is 30 years after the date
15 of such 1st refinancing).”.

16 (c) COORDINATION WITH EXCLUSION OF INCOME
17 FROM DISCHARGE OF INDEBTEDNESS.—Section
18 108(h)(2) of the Internal Revenue Code of 1986 is amend-
19 ed by striking “\$1,000,000 (\$500,000” and inserting
20 “\$750,000 (\$375,000”.

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

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

25 (2) by striking subparagraph (F).

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 15. PERMANENT EXTENSION OF MODIFICATIONS TO**
5 **DEDUCTION FOR PERSONAL CASUALTY**
6 **LOSSES.**

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

9 (1) by striking “, and before January 1, 2026”
10 in subparagraph (A), and

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

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

16 **SEC. 16. REPEAL OF MISCELLANEOUS ITEMIZED DEDUC-**
17 **TIONS.**

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

20 (1) by striking subsection (a) and inserting the
21 following:

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

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

1 date of the enactment of the Tax Cuts and Jobs
2 Act)” after “68(b)”.

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

8 (5) Section 773(a)(3)(B) of such Code is
9 amended by striking clause (i) and redesignating
10 clauses (ii) through (iv) as clauses (i) through (iii),
11 respectively.

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

15 **SEC. 18. REPEAL OF EXCLUSION FOR QUALIFIED BICYCLE**
16 **COMMUTING REIMBURSEMENT.**

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

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 132(f)(2) of the Internal Revenue
22 Code of 1986 is amended by inserting “and” at the
23 end of subparagraph (A), by striking “, and” at the
24 end of subparagraph (B) and inserting a period, and
25 by striking subparagraph (C).

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

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

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

9 **SEC. 19. PERMANENT EXTENSION OF MODIFICATION OF EX-**
10 **CLUSION FOR QUALIFIED MOVING EXPENSE**
11 **REIMBURSEMENT.**

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

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

16 (2) by striking paragraph (2) and inserting the
17 following:

18 “(2) QUALIFIED MILITARY MEMBER.—For pur-
19 poses of paragraph (1), the term ‘qualified military
20 member’ means a member of the Armed Forces of
21 the United States on active duty who moves pursu-
22 ant to a military order and incident to a permanent
23 change of station.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 20. REPEAL OF DEDUCTION FOR MOVING EXPENSES.**

5 (a) IN GENERAL.—Subsection (a) of section 217 of
6 the Internal Revenue Code of 1986 is amended to read
7 as follows:

8 “(a) DEDUCTION ALLOWED.—There shall be allowed
9 as a deduction moving expenses paid or incurred during
10 the taxable year in connection with the commencement of
11 work by a member of the Armed Forces of the United
12 States on active duty who moves pursuant to a military
13 order and incident to a permanent change of station.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 217 of the Internal Revenue Code
16 of 1986 is amended—

17 (A) by striking subsections (c), (d), (f),
18 and (i),

19 (B) by redesignating subsections (g), (h),
20 and (j) as subsections (c), (d), and (e), respec-
21 tively, and

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

23 (i) by striking paragraph (1) and re-
24 designating paragraphs (2) and (3) as
25 paragraphs (1) and (2), respectively, and

1 (ii) in paragraph (2) (as so redesignig-
2 nated), by striking “moving expenses of his
3 spouse and dependents” and all that fol-
4 lows and inserting “moving expenses of his
5 spouse and dependents as if his spouse
6 commenced work as an employee at a new
7 principal place of work at such location.”.

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

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

14 **SEC. 21. PERMANENT EXTENSION OF LIMITATION ON WA-**
15 **GERING LOSSES.**

16 (a) IN GENERAL.—The second sentence of section
17 164(d) of the Internal Revenue Code of 1986 is amended
18 by striking “in the case of taxable years beginning after
19 December 31, 2017, and before January 1, 2026,”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall not apply to taxable years beginning
22 after December 31, 2017.

1 **SEC. 22. INCREASE IN ESTATE AND GIFT TAX EXEMPTION**
2 **MADE PERMANENT.**

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

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 2010(c)(3) of the Internal Revenue
8 Code of 1986 is amended by striking subparagraph
9 (C).

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

12 “(g) MODIFICATIONS TO GIFT TAX PAYABLE TO RE-
13 FLECT DIFFERENT TAX RATES.—For purposes of apply-
14 ing subsection (b)(2) with respect to 1 or more gifts, the
15 rates of tax under subsection (c) in effect at the decedent’s
16 death shall, in lieu of the rates of tax in effect at the time
17 of such gifts, be used both to compute—

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

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

22 “(A) the applicable credit amount under
23 section 2505(a)(1), and

24 “(B) the sum of the amounts allowed as a
25 credit for all preceding periods under section
26 2505(a)(2).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to estates of decedents dying and
3 gifts made after December 31, 2017.

4 **SEC. 23. INCREASE IN ALTERNATIVE MINIMUM TAX EXEMP-**
5 **TION MADE PERMANENT.**

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

8 (1) in paragraph (1)—

9 (A) by striking “\$78,750” in subparagraph
10 (A) and inserting “\$109,400”, and

11 (B) by striking “\$50,600” in subpara-
12 graph (B) and inserting “\$70,300”, and

13 (2) in paragraph (2)—

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

16 (B) by striking subparagraphs (B) and (C)
17 and inserting the following:

18 “(B) 50 percent of the dollar amount ap-
19 plicable under subparagraph (A) in the case of
20 a taxpayer described in subparagraph (B) or
21 (C) of paragraph (1), and

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

24 (b) INFLATION ADJUSTMENT.—

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

4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year in which the taxable year be-
7 gins, by substituting for ‘calendar year
8 2016’ in subparagraph (A)(ii) thereof—

9 “(I) ‘calendar year 2011’ in the
10 case of the dollar amounts described
11 in clauses (i), (iv), and (v) of subpara-
12 graph (B), and

13 “(II) ‘calendar year 2017’ in the
14 case of the dollar amounts described
15 in clauses (ii) and (iii) of subpara-
16 graph (B).”.

17 (2) CONFORMING AMENDMENTS.—Section
18 55(d)(3)(B) of such Code is amended—

19 (A) by striking “subparagraphs (A), (B),
20 and (D) of paragraph (1), and” in clause (ii)
21 and inserting “subparagraphs (A) and (B) of
22 paragraph (1),”,

23 (B) by striking “subparagraphs (A) and
24 (B) of paragraph (2).” in clause (iii) and in-
25 serting “paragraph (2)(A),”, and

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

2 “(iv) the dollar amount contained in
3 paragraph (1)(D), and

4 “(v) the dollar amount contained in
5 paragraph (2)(C).”.

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

9 **SEC. 24. TECHNICAL AMENDMENT.**

10 Section 11000 of Public Law 115–97 is amended by
11 redesignating subsection (a) as subsection (b) and by in-
12 serting before subsection (b) (as so redesignated) the fol-
13 lowing new subsection:

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

○