

111TH CONGRESS
1ST SESSION

S. 978

To amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals.

IN THE SENATE OF THE UNITED STATES

MAY 5, 2009

Mrs. LINCOLN (for herself and Mr. HATCH) 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 increase the limitation on capital losses applicable to individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN LIMITATION ON CAPITAL LOSSES**

4 **APPLICABLE TO INDIVIDUALS.**

5 (a) IN GENERAL.—Paragraph (1) of section 1211(b)
6 of the Internal Revenue Code of 1986 (relating to limita-
7 tion on capital losses for taxpayers other than corpora-
8 tions) is amended by striking “\$3,000 (\$1,500” and in-
9 serting “\$10,000 (½ such amount”.

1 (b) ADJUSTMENT FOR INFLATION.—Section 1211 of
2 the Internal Revenue Code of 1986 (relating to limitation
3 on capital losses) is amended by adding at the end the
4 following new subsection:

5 “(c) ADJUSTMENT FOR INFLATION.—

6 “(1) IN GENERAL.—In the case of any taxable
7 year beginning in a calendar year after 2009, the
8 \$10,000 amount contained in subsection (b)(1) shall
9 each be increased by an amount equal to—

10 “(A) such amount, multiplied by

11 “(B) the cost-of-living adjustment deter-
12 mined under section 1(f)(3) for the calendar
13 year in which the taxable year begins by sub-
14 stituting ‘calendar year 2008’ for ‘calendar year
15 1992’ in subparagraph (B) thereof.

16 “(2) ROUNDING.—If any increase determined
17 under paragraph (1) is not a multiple of \$50, such
18 increase shall be rounded to the next highest mul-
19 tiple of \$50.”.

20 (c) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2008.

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