

116TH CONGRESS
1ST SESSION

S. 1162

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 11, 2019

Mr. CRUZ (for himself, Ms. ERNST, Mrs. BLACKBURN, Mr. CRAMER, and Mr. BRAUN) 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-
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.

“If taxable income is:	The tax is:
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:

“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.”.

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:

“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.”.

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

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

23 (2) by redesignating paragraphs (4), (6), and

24 (7) as paragraphs (5), (7), and (8), respectively,

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

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

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

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

16 “(A) 24-PERCENT BRACKET.—The max-
17 imum taxable income which is taxed at a rate
18 below 24 percent shall not be more than the
19 sum of—

20 “(i) the earned taxable income of such
21 child, plus

22 “(ii) the minimum taxable income for
23 the 24-percent bracket in the table under
24 subsection (e) (as adjusted under sub-
25 section (f)) for the taxable year.

1 “(B) 35-PERCENT BRACKET.—The max-
2 imum taxable income which is taxed at a rate
3 below 35 percent shall not be more than the
4 sum of—

5 “(i) the earned taxable income of such
6 child, plus

7 “(ii) the minimum taxable income for
8 the 35-percent bracket in the table under
9 subsection (e) (as adjusted under sub-
10 section (f)) for the taxable year.

11 “(C) 37-PERCENT BRACKET.—The max-
12 imum taxable income which is taxed at a rate
13 below 37 percent shall not be more than the
14 sum of—

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

17 “(ii) the minimum taxable income for
18 the 37-percent bracket in the table under
19 subsection (e) (as adjusted under sub-
20 section (f)) for the taxable year.

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

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

1 “(i) the earned taxable income of such
2 child, plus

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

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

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

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

12 “(4) EARNED TAXABLE INCOME.—For purposes
13 of this subsection, the term ‘earned taxable income’
14 means, with respect to any child for any taxable
15 year, the taxable income of such child reduced (but
16 not below zero) by the net unearned income of such
17 child.”, and

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

22 (h) CAPITAL GAINS BRACKETS.—Subsection (h) of
23 section 1 of the Internal Revenue Code of 1986 is amend-
24 ed—

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

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

9 (3) by adding at the end the following new
10 paragraph:

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

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

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

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

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

24 “(iv) in the case of an estate or trust,
25 \$2,600.

1 “(B) MAXIMUM 15-PERCENT RATE
2 AMOUNT.—The maximum 15-percent rate
3 amount shall be—

4 “(i) in the case of a joint return or
5 surviving spouse, \$479,000 ($\frac{1}{2}$ such
6 amount in the case of a married individual
7 filing a separate return),

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

11 “(iii) in the case of any other indi-
12 vidual (other than an estate or trust),
13 \$425,800, and

14 “(iv) in the case of an estate or trust,
15 \$12,700.

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

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under subsection (f)(3) for the
24 calendar year in which the taxable year be-
25 gins, determined by substituting ‘calendar

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, 2017.

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, 2017.

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, 2017.

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.

23 **SEC. 10. PERMANENT EXTENSION OF REDUCTION IN MED-**
24 **ICAL EXPENSE DEDUCTION FLOOR.**

25 (a) REDUCTION.—

1 (1) IN GENERAL.—Section 213(a) of the Inter-
 2 nal Revenue Code of 1986 is amended by striking
 3 “10 percent” and inserting “7.5 percent”.

4 (2) CONFORMING AMENDMENT.—Section 213
 5 of the Internal Revenue Code of 1986 is amended by
 6 striking subsection (f).

7 (b) REPEAL OF MINIMUM TAX PREFERENCE.—Sec-
 8 tion 56(b)(1) of the Internal Revenue Code of 1986 is
 9 amended by striking subparagraph (B).

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

13 **SEC. 11. PERMANENT EXTENSION OF TREATMENT OF STU-**
 14 **DENT LOANS DISCHARGED ON ACCOUNT OF**
 15 **DEATH OR DISABILITY.**

16 (a) IN GENERAL.—Subparagraph (A) of section
 17 108(f)(5) of the Internal Revenue Code of 1986 is amend-
 18 ed by striking “and before January 1, 2026,”.

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

22 **SEC. 12. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-**
 23 **TIONS.**

24 (a) IN GENERAL.—Part V of subchapter B of chapter
 25 1 of the Internal Revenue Code of 1986 is hereby repealed.

1 (b) DEFINITION OF DEPENDENT RETAINED.—Sec-
2 tion 152 of the Internal Revenue Code of 1986, prior to
3 repeal by subsection (a), is hereby redesignated as section
4 7706 of such Code and moved to the end of chapter 79
5 of such Code.

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

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

12 (2) by striking clause (iii) and inserting the fol-
13 lowing:

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

19 “(I) such dollar amount, multi-
20 plied by

21 “(II) the cost-of-living adjust-
22 ment determined under section 1(f)(3)
23 for the calendar year in which the tax-
24 able begins, determined by sub-

1 stituting ‘2017’ for ‘2016’ in subpara-
2 graph (A)(ii) thereof.

3 If any increase determined under the pre-
4 ceding sentence is not a multiple of \$100,
5 such increase shall be rounded to the next
6 lowest multiple of \$100.”.

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

10 (e) MODIFICATION OF RETURN REQUIREMENT.—

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

13 (A) by striking paragraph (1) of subsection
14 (a) and inserting the following:

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

18 “(A) an individual who is not married (de-
19 termined by applying section 7703) and who
20 has gross income for the taxable year which
21 does not exceed the standard deduction applica-
22 ble to such individual for such taxable year
23 under section 63, or

24 “(B) an individual entitled to make a joint
25 return if—

1 “(i) the gross income of such indi-
2 vidual, when combined with the gross in-
3 come of such individual’s spouse, for the
4 taxable year does not exceed the standard
5 deduction which would be applicable to the
6 taxpayer for such taxable year under sec-
7 tion 63 if such individual and such individ-
8 ual’s spouse made a joint return,

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

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

14 “(iv) neither such individual nor such
15 individual’s spouse is an individual de-
16 scribed in section 63(c)(2) who has income
17 (other than earned income) in excess of the
18 amount in effect under section
19 63(c)(2)(A).”, and

20 (B) by striking subsection (f).

21 (2) BANKRUPTCY ESTATES.—Paragraph (8) of
22 section 6012(a) of such Code is amended by striking
23 “the sum of the exemption amount plus the basic
24 standard deduction under section 63(c)(2)(D)” and

1 inserting “the standard deduction in effect under
2 section 63(c)(1)(B)”.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 2(a)(1)(B) of the Internal Revenue
5 Code of 1986 is amended by striking “a dependent”
6 and all that follows through “section 151” and in-
7 serting “a dependent who (within the meaning of
8 section 7706, determined without regard to sub-
9 sections (b)(1), (b)(2), and (d)(1)(B) thereof) is a
10 son, stepson, daughter, or stepdaughter of the tax-
11 payer”.

12 (2) Section 36B(b)(2)(A) of such Code is
13 amended by striking “section 152” and inserting
14 “section 7706”.

15 (3) Section 36B(b)(3)(B) of such Code is
16 amended by striking “unless a deduction is allowed
17 under section 151 for the taxable year with respect
18 to a dependent” in the flush matter at the end and
19 inserting “unless the taxpayer has a dependent for
20 the taxable year”.

21 (4) Section 36B(c)(1)(D) of such Code is
22 amended by striking “with respect to whom a deduc-
23 tion under section 151 is allowable to another tax-
24 payer” and inserting “who is a dependent of another
25 taxpayer”.

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

9 (6) Section 36B(e)(1) of such Code is amended
10 by striking “1 or more individuals for whom a tax-
11 payer is allowed a deduction under section 151 (re-
12 lating to allowance of deduction for personal exemp-
13 tions) for the taxable year (including the taxpayer or
14 his spouse)” and inserting “1 or more of the tax-
15 payer, the taxpayer’s spouse, or any dependent of
16 the taxpayer”.

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

19 (A) by striking “section 152” and insert-
20 ing “section 7706”, and

21 (B) by striking the period at the end and
22 inserting a comma.

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

1 (9) Section 63(d) of such Code is amended by
2 striking “other than—” and all that follows and in-
3 sserting “other than the deductions allowable in ar-
4 riving at adjusted gross income.”.

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

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

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

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

14 (B) by striking “section 152(f)(1)” and in-
15 sserting “section 7706(f)(1)”, and

16 (C) by striking “section 152(e)” and in-
17 sserting “section 7706(e)”.

18 (13) Section 105(e)(1) of such Code is amended
19 by striking “section 152” and inserting “section
20 7706”.

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

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

1 (A) by striking “with respect to whom, for
2 such taxable year, a deduction is allowable
3 under section 151(c) (relating to personal ex-
4 emptions for dependents) to” in paragraph (1)
5 and inserting “who is a dependent of”, and

6 (B) by striking “section 152(f)(1)” in
7 paragraph (2) and inserting “section
8 7706(f)(1)”.

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

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

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

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

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

21 (19) Section 170(g)(1) of such Code is amend-
22 ed by striking “section 152” and inserting “section
23 7706”.

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

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

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

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

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

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

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

23 (27) Section 402(l)(4)(D) of such Code is
24 amended by striking “section 152” and inserting
25 “section 7706”.

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

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

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

10 (31) Section 703(a)(2) of such Code is amended
11 by striking subparagraph (A) and by redesignating
12 subparagraphs (B) through (F) as subparagraphs
13 (A) through (E), respectively.

14 (32) Section 874 of such Code is amended by
15 striking subsection (b) and by redesignating sub-
16 section (c) as subsection (b).

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

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

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

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

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

4 (B) by striking “(other than the deduction
5 for personal exemptions under section 151)” in
6 paragraph (2).

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

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

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

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

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

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

23 (42) Section 3402(r)(2) of such Code is amend-
24 ed by striking “the sum of—” and all that follows

1 and inserting “the standard deduction in effect
2 under section 63(c)(1)(B).”.

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

6 (44) Section 5000A(c)(4)(A) of such Code is
7 amended by striking “the number of individuals for
8 whom the taxpayer is allowed a deduction under sec-
9 tion 151 (relating to allowance of deduction for per-
10 sonal exemptions) for the taxable year” and insert-
11 ing “the sum of 1 (2 in the case of a joint return)
12 plus the number of the taxpayer’s dependents for
13 the taxable year”.

14 (45) Section 6013(b)(3)(A) of such Code is
15 amended—

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

19 (B) by striking “had gross income of the
20 exemption amount or more” in clause (iii) and
21 inserting “had any gross income”, and

22 (C) by striking the flush language fol-
23 lowing clause (iii).

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

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

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

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

7 “(2) EXEMPT AMOUNT.—

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

11 “(i) the sum of the amount deter-
12 mined under subparagraph (B) and the
13 standard deduction, divided by

14 “(ii) 52.

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

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

25 “(i) such dollar amount, multiplied by

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

7 If any increase determined under the preceding
8 sentence is not a multiple of \$100, such in-
9 crease shall be rounded to the next lowest mul-
10 tiple of \$100.

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

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

22 (50) Section 7703(a) of such Code is amended
23 by striking “part V of subchapter B of chapter 1
24 and”.

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

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

7 (53)(A) Section 7706(d)(1)(B) of such Code, as
8 redesignated by this section, is amended by striking
9 “the exemption amount (as defined in section
10 151(d))” and inserting “\$4,150”.

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

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

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for such calendar
21 year, determined by substituting ‘calendar year
22 2017’ for ‘calendar year 2016’ in subparagraph
23 (A)(ii) thereof.

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

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

“Sec. 7706. Dependent defined.”.

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

10 **SEC. 13. PERMANENT EXTENSION OF LIMITATION ON DE-**
 11 **DUCTION FOR STATE AND LOCAL, ETC.,**
 12 **TAXES.**

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

15 (1) by striking “, and before January 1, 2026”,
 16 and

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

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

22 **SEC. 14. PERMANENT EXTENSION OF LIMITATION ON DE-**
 23 **DUCTION FOR QUALIFIED RESIDENCE INTER-**
 24 **EST.**

25 (a) REPEAL OF HOME EQUITY INDEBTEDNESS.—

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

8 (2) CONFORMING AMENDMENT.—Section
9 163(h)(3) of such Code is amended by striking sub-
10 paragraph (C).

11 (b) LIMITATION ON ACQUISITION INDEBTEDNESS.—

12 (1) IN GENERAL.—Section 163(h)(3)(B)(ii) of
13 the Internal Revenue Code of 1986 is amended by
14 striking “\$1,000,000 (\$500,000” and inserting
15 “\$750,000 (\$375,000”.

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

22 “(C) TREATMENT OF INDEBTEDNESS IN-
23 CURRED ON OR BEFORE DECEMBER 15, 2017;
24 REFINANCINGS.—

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

14 “(ii) BINDING CONTRACT EXCEP-
15 TION.—In the case of a taxpayer who en-
16 ters into a written binding contract before
17 December 15, 2017, to close on the pur-
18 chase of a principal residence before Janu-
19 ary 1, 2018, and who purchases such resi-
20 dence before April 1, 2018, subclause (III)
21 shall be applied by substituting ‘April 1,
22 2018’ for ‘December 15, 2017’.

23 “(iii) TREATMENT OF REFINANCINGS
24 OF INDEBTEDNESS.—

1 “(I) IN GENERAL.—In the case
2 of any indebtedness which is incurred
3 to refinance indebtedness, such refi-
4 nanced indebtedness shall be treated
5 for purposes of clause (i) as incurred
6 on the date that the original indebted-
7 ness was incurred to the extent the
8 amount of the indebtedness resulting
9 from such refinancing does not exceed
10 the amount of the refinanced indebt-
11 edness.

12 “(II) LIMITATION ON PERIOD OF
13 REFINANCING.—Subclause (I) shall
14 not apply to any indebtedness after
15 the expiration of the term of the origi-
16 nal indebtedness or, if the principal of
17 such original indebtedness is not am-
18 ortized over its term, the expiration of
19 the term of the 1st refinancing of
20 such indebtedness (or if earlier, the
21 date which is 30 years after the date
22 of such 1st refinancing).”.

23 (c) COORDINATION WITH EXCLUSION OF INCOME
24 FROM DISCHARGE OF INDEBTEDNESS.—Section
25 108(h)(2) of the Internal Revenue Code of 1986 is amend-

1 ed by striking “\$1,000,000 (\$500,000” and inserting
2 “\$750,000 (\$375,000”.

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

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

7 (2) by striking subparagraph (F).

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

11 **SEC. 15. PERMANENT EXTENSION OF MODIFICATIONS TO**
12 **DEDUCTION FOR PERSONAL CASUALTY**
13 **LOSSES.**

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

16 (1) by striking “, and before January 1, 2026”
17 in subparagraph (A), and

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

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

1 **SEC. 16. REPEAL OF MISCELLANEOUS ITEMIZED DEDUC-**
 2 **TIONS.**

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

5 (1) by striking subsection (a) and inserting the
 6 following:

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

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

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

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

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

21 **SEC. 17. REPEAL OF OVERALL LIMITATION ON ITEMIZED**
 22 **DEDUCTIONS.**

23 (a) IN GENERAL.—Part 1 of subchapter B of chapter
 24 1 of the Internal Revenue Code of 1986 is amended by
 25 striking section 68 (and the item relating to such section
 26 in the table of sections for such part).

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 1(f)(7) of the Internal Revenue
3 Code of 1986 is amended by striking “section
4 68(b)(2),”.

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

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

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

16 (5) Section 773(a)(3)(B) of such Code is
17 amended by striking clause (i) and redesignating
18 clauses (ii) through (iv) as clauses (i) through (iii),
19 respectively.

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

1 **SEC. 18. REPEAL OF EXCLUSION FOR QUALIFIED BICYCLE**
2 **COMMUTING REIMBURSEMENT.**

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

6 (b) CONFORMING AMENDMENTS.—

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

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

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

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

20 **SEC. 19. PERMANENT EXTENSION OF MODIFICATION OF EX-**
21 **CLUSION FOR QUALIFIED MOVING EXPENSE**
22 **REIMBURSEMENT.**

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

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

1 (2) by striking paragraph (2) and inserting the
2 following:

3 “(2) QUALIFIED MILITARY MEMBER.—For pur-
4 poses of paragraph (1), the term ‘qualified military
5 member’ means a member of the Armed Forces of
6 the United States on active duty who moves pursu-
7 ant to a military order and incident to a permanent
8 change of station.”.

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

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

13 (a) IN GENERAL.—Subsection (a) of section 217 of
14 the Internal Revenue Code of 1986 is amended to read
15 as follows:

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

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 217 of the Internal Revenue Code
24 of 1986 is amended—

1 (A) by striking subsections (c), (d), (f),
2 and (i),

3 (B) by redesignating subsections (g), (h),
4 and (j) as subsections (c), (d), and (e), respec-
5 tively, and

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

7 (i) by striking paragraph (1) and re-
8 designating paragraphs (2) and (3) as
9 paragraphs (1) and (2), respectively, and

10 (ii) in paragraph (2) (as so redesign-
11 nated), by striking “moving expenses of his
12 spouse and dependents” and all that fol-
13 lows and inserting “moving expenses of his
14 spouse and dependents as if his spouse
15 commenced work as an employee at a new
16 principal place of work at such location.”.

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

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

1 **SEC. 21. PERMANENT EXTENSION OF LIMITATION ON WA-**
2 **GERING LOSSES.**

3 (a) **IN GENERAL.**—The second sentence of section
4 164(d) of the Internal Revenue Code of 1986 is amended
5 by striking “in the case of taxable years beginning after
6 December 31, 2017, and before January 1, 2026,”.

7 (b) **EFFECTIVE DATE.**—The amendments made by
8 this section shall not apply to taxable years beginning
9 after December 31, 2017.

10 **SEC. 22. INCREASE IN ESTATE AND GIFT TAX EXEMPTION**
11 **MADE PERMANENT.**

12 (a) **IN GENERAL.**—Section 2010(c)(3)(A) of the In-
13 ternal Revenue Code of 1986 is amended by striking
14 “\$5,000,000” and inserting “\$10,000,000”.

15 (b) **CONFORMING AMENDMENTS.**—

16 (1) Section 2010(c)(3) of the Internal Revenue
17 Code of 1986 is amended by striking subparagraph
18 (C).

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

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

1 (B) by striking subparagraphs (B) and (C)
2 and inserting the following:

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

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

9 (b) INFLATION ADJUSTMENT.—

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

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

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

22 “(II) ‘calendar year 2017’ in the
23 case of the dollar amounts described
24 in clauses (ii) and (iii) of subpara-
25 graph (B).”.

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

3 (A) by striking “subparagraphs (A), (B),
4 and (D) of paragraph (1), and” in clause (ii)
5 and inserting “subparagraphs (A) and (B) of
6 paragraph (1),”,

7 (B) by striking “subparagraphs (A) and
8 (B) of paragraph (2).” in clause (iii) and in-
9 serting “paragraph (2)(A),”, and

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

11 “(iv) the dollar amount contained in
12 paragraph (1)(D), and

13 “(v) the dollar amount contained in
14 paragraph (2)(C).”.

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

18 **SEC. 24. TECHNICAL AMENDMENT.**

19 Section 11000 of Public Law 115–97 is amended by
20 redesignating subsection (a) as subsection (b) and by in-
21 serting before subsection (b) (as so redesignated) the fol-
22 lowing new subsection:

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

○