

115TH CONGRESS  
2D SESSION

# H. R. 6760

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## AN ACT

To amend the Internal Revenue Code of 1986 to make permanent certain provisions of the Tax Cuts and Jobs Act affecting individuals, families, and small businesses.

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

1 **SECTION 1. SHORT TITLE, ETC.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Protecting Family and Small Business Tax Cuts Act of  
4 2018”.

5 (b) AMENDMENT OF 1986 CODE.—Except as other-  
6 wise expressly provided, whenever in this Act an amend-  
7 ment or repeal is expressed in terms of an amendment  
8 to, or repeal of, a section or other provision, the reference  
9 shall be considered to be made to a section or other provi-  
10 sion of the Internal Revenue Code of 1986.

11 (c) REFERENCES TO THE TAX CUTS AND JOBS  
12 ACT.—Title I of Public Law 115-97 may be cited as the  
13 “Tax Cuts and Jobs Act”.

14 (d) TABLE OF CONTENTS.—The table of contents of  
15 this Act is as follows:

Sec. 1. Short title, etc.

**TITLE I—INDIVIDUAL REFORM MADE PERMANENT**

**Subtitle A—Rate Reform**

Sec. 101. Modification of rates.

**Subtitle B—Deduction for Qualified Business Income of Pass-thru Entities**

Sec. 111. Deduction for qualified business income.

Sec. 112. Limitation on losses for taxpayers other than corporations.

**Subtitle C—Tax Benefits for Families and Individuals**

Sec. 121. Increase in standard deduction.

Sec. 122. Increase in and modification of child tax credit.

Sec. 123. Increased limitation for certain charitable contributions.

Sec. 124. Increased contributions to ABLE accounts.

Sec. 125. Rollovers to ABLE programs from 529 programs.

Sec. 126. Treatment of certain individuals performing services in the Sinai Pe-  
ninsula of Egypt.

Sec. 127. Extension of reduction in threshold for medical expense deduction.

**Subtitle D—Education**

Sec. 131. Treatment of student loans discharged on account of death or disability.

#### Subtitle E—Deductions and Exclusions

- Sec. 141. Repeal of deduction for personal exemptions.  
 Sec. 142. Limitation on deduction for State and local, etc. taxes.  
 Sec. 143. Limitation on deduction for qualified residence interest.  
 Sec. 144. Modification of deduction for personal casualty losses.  
 Sec. 145. Termination of miscellaneous itemized deductions.  
 Sec. 146. Repeal of overall limitation on itemized deductions.  
 Sec. 147. Termination of exclusion for qualified bicycle commuting reimbursement.  
 Sec. 148. Qualified moving expense reimbursement exclusion limited to members of Armed Forces.  
 Sec. 149. Deduction for moving expenses limited to members of Armed Forces.  
 Sec. 150. Limitation on wagering losses.

#### Subtitle F—Increase in Estate and Gift Tax Exemption

Sec. 151. Increase in estate and gift tax exemption.

### TITLE II—INCREASED EXEMPTION FOR ALTERNATIVE MINIMUM TAX MADE PERMANENT

Sec. 201. Increased exemption for individuals.

### TITLE III—BUDGETARY EFFECTS

Sec. 301. Budgetary effects.

# 1 **TITLE I—INDIVIDUAL REFORM**

# 2 **MADE PERMANENT**

# 3 **Subtitle A—Rate Reform**

## 4 **SEC. 101. MODIFICATION OF RATES.**

5 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS  
 6 AND SURVIVING SPOUSES.—Section 1(a) is amended by  
 7 striking the table contained therein and inserting the fol-  
 8 lowing:

#### **“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.

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

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) HEAD OF HOUSEHOLDS.—Section 1(b) is amend-  
2 ed by striking the table contained therein and inserting  
3 the following:

**“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 HOUSEHOLD.—Section  
6 1(c) is amended by striking the table contained therein  
7 and inserting the following:

**“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.

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

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.—Section 1(d) is amended by striking the table  
3 contained therein and inserting the following:

**“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.”.

4 (e) ESTATES AND TRUSTS.—Section 1(e) is amended  
5 by striking the table contained therein and inserting the  
6 following:

**“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.”.

7 (f) INFLATION ADJUSTMENTS.—Section 1(f) is  
8 amended—

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

3 (2) by amending paragraph (2)(A) to read as  
4 follows:

5 “(A) by increasing the minimum and max-  
6 imum dollar amounts for each bracket for  
7 which a tax is imposed under such table by the  
8 cost-of-living adjustment for such calendar year,  
9 determined under this subsection for such cal-  
10 endar year by substituting ‘2017’ for ‘2016’ in  
11 paragraph (3)(A)(ii),”,

12 (3) in paragraph (7)(B), by striking all that  
13 precedes “(other than with respect to” and inserting  
14 the following:

15 “(B) SPECIAL RULE.—In the case of a  
16 table prescribed in lieu of the table contained in  
17 subsection (b), (c), or (d), subparagraph (A)”,

18 (4) by striking paragraph (8), and

19 (5) in the heading, by striking “PHASEOUT OF  
20 MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-  
21 JUSTMENTS” and inserting “ADJUSTMENTS”.

22 (g) SPECIAL RULES FOR CERTAIN CHILDREN WITH  
23 UNEARNED INCOME.—

1 (1) IN GENERAL.—Section 1(g) is amended by  
 2 striking all that precedes paragraph (2) and insert-  
 3 ing the following:

4 “(g) SPECIAL RULES FOR CERTAIN CHILDREN WITH  
 5 UNEARNED INCOME.—

6 “(1) IN GENERAL.—In the case of any child to  
 7 whom this subsection applies—

8 “(A) MODIFICATIONS TO APPLICABLE  
 9 RATE BRACKETS.—In determining the amount  
 10 of tax imposed by this section for the taxable  
 11 year on such child, the income tax table other-  
 12 wise applicable under this section to such child  
 13 shall be applied with the following modifica-  
 14 tions:

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

19 “(I) the earned taxable income of  
 20 such child, plus

21 “(II) the minimum taxable in-  
 22 come for the 24-percent bracket in the  
 23 table under subsection (e) (as ad-  
 24 justed under subsection (f)) for the  
 25 taxable year.

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

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

7                               “(II) the minimum taxable in-  
8                               come for the 35-percent bracket in the  
9                               table under subsection (e) (as ad-  
10                              justed under subsection (f)) for the  
11                              taxable year.

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

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

18                              “(II) the minimum taxable in-  
19                              come for the 37-percent bracket in the  
20                              table under subsection (e) (as ad-  
21                              justed under subsection (f)) for the  
22                              taxable year.

23                   “(B) COORDINATION WITH CAPITAL GAINS  
24                   RATES.—For purposes of applying section  
25                   1(h)—



1 “(i) the maximum zero rate amount  
2 shall not be more than the sum of—

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

5 “(II) the amount in effect under  
6 subsection (h)(13) for the taxable  
7 year, and

8 “(ii) the maximum 15-percent rate  
9 amount shall not be more than the sum  
10 of—

11 “(I) the earned taxable income of  
12 such child, plus

13 “(II) the amount in effect under  
14 subsection (h)(12)(D) for the taxable  
15 year.”.

16 (2) EARNED TAXABLE INCOME.—Section  
17 1(g)(3) is amended to read as follows:

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

1           (3) CONFORMING AMENDMENT.—So much of  
2       paragraph (5) of section 1(g) as precedes subpara-  
3       graph (A) thereof is amended to read as follows:

4           “(5) SPECIAL RULES FOR DETERMINING PAR-  
5       ENT ELIGIBLE TO MAKE ELECTION.—For purposes  
6       of paragraph (7), the parent referred to in subpara-  
7       graph (A)(iv) thereof is—”.

8       (h) APPLICATION OF INCOME TAX BRACKETS TO  
9       CAPITAL GAINS BRACKETS.—Section 1(h) is amended—

10           (1) in paragraph (1)(B)(i), by striking “25 per-  
11       cent” and inserting “22 percent”,

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

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

18           “(12) MAXIMUM 15-PERCENT RATE AMOUNT  
19       DEFINED.—For purposes of this subsection, the  
20       maximum 15-percent rate amount shall be—

21           “(A) in the case of a joint return or sur-  
22       viving spouse (as defined in section 2(a)),  
23       \$479,000 (½ such amount in the case of a  
24       married individual filing a separate return),

1           “(B) in the case of an individual who is  
2           the head of a household (as defined in section  
3           2(b)), \$452,400,

4           “(C) in the case of any other individual  
5           (other than an estate or trust), \$425,800, and

6           “(D) in the case of an estate or trust,  
7           \$12,700.

8           “(13) DETERMINATION OF 0 PERCENT RATE  
9           BRACKET FOR ESTATES AND TRUSTS.—In the case  
10          of any estate or trust, paragraph (1)(B) shall be ap-  
11          plied by treating the amount determined in clause (i)  
12          thereof as being equal to \$2,600.

13          “(14) INFLATION ADJUSTMENT.—

14               “(A) IN GENERAL.—In the case of any  
15               taxable year beginning after 2018, each of the  
16               dollar amounts in paragraphs (12) and (13)  
17               shall 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 subsection (f)(3) for the  
21                       calendar year in which the taxable year be-  
22                       gins, determined by substituting ‘calendar  
23                       year 2017’ for ‘calendar year 2016’ in sub-  
24                       paragraph (A)(ii) thereof.

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

5           (i) APPLICATION OF SECTION 15.—

6           (1) IN GENERAL.—Subsection (a) of section 15  
7           is amended by striking “If any rate of tax” and in-  
8           serting “In the case of a corporation, if any rate of  
9           tax”.

10          (2) CONFORMING AMENDMENTS.—

11           (A) Section 15 is amended by striking sub-  
12           sections (d), (e), and (f).

13           (B) Section 6013(c) is amended by strik-  
14           ing “sections 15, 443, and 7851(a)(1)(A)” and  
15           inserting “section 443”.

16           (C) The heading of section 15 is amended  
17           by inserting “**ON CORPORATIONS**” after “**EF-**  
18           **FFECT OF CHANGES**”.

19           (D) The table of sections for part III of  
20           subchapter A of chapter 1 is amended by strik-  
21           ing the item relating to section 15 and inserting  
22           the following new item:

“Sec. 15. Effect of changes on corporations.”.

23           (j) CONFORMING AMENDMENTS.—

24           (1) Section 1 is amended by striking sub-  
25           sections (i) and (j).

1 (2) Section 3402(q)(1) is amended by striking  
 2 “third lowest” and inserting “fourth lowest”.

3 (k) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by  
 5 this section shall apply to taxable years beginning  
 6 after December 31, 2017.

7 (2) APPLICATION OF SECTION 15.—Section 15  
 8 of the Internal Revenue Code of 1986 shall not  
 9 apply to any change in a rate of tax by reason of—

10 (A) section 1(j) of such Code (as in effect  
 11 before its repeal by this section), or

12 (B) any amendment made by this Act.

13 **Subtitle B—Deduction for Quali-**  
 14 **fied Business Income of Pass-**  
 15 **thru Entities**

16 **SEC. 111. DEDUCTION FOR QUALIFIED BUSINESS INCOME.**

17 (a) IN GENERAL.—Section 199A is amended by  
 18 striking subsection (i).

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

22 **SEC. 112. LIMITATION ON LOSSES FOR TAXPAYERS OTHER**  
 23 **THAN CORPORATIONS.**

24 (a) IN GENERAL.—Section 461 is amended—

1           (1) by amending subsection (l)(1) to read as  
2 follows:

3           “(1) LIMITATION.—In the case of a taxpayer  
4 other than a corporation, any excess business loss of  
5 the taxpayer for the taxable year shall not be al-  
6 lowed.”, and

7           (2) by striking subsection (j) and redesignating  
8 subsections (k) and (l) (as amended) as subsections  
9 (j) and (k), respectively.

10          (b) CONFORMING AMENDMENTS.—

11           (1) Section 58(a)(2)(A) is amended by striking  
12 “461(k)” and inserting “461(j)”.

13           (2) Section 461(i)(4) is amended by striking  
14 “subsection (k)” and inserting “subsection (j)”.

15           (3) Section 464(d)(2)(B)(iii) is amended by  
16 striking “section 461(k)(2)(E)” and inserting “sec-  
17 tion 461(j)(2)(E)”.

18           (4) Subparagraphs (B) and (C) of section  
19 1256(e)(3) are each amended by striking “section  
20 461(k)(4)” and inserting “section 461(j)(4)”.

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

## **Subtitle C—Tax Benefits for Families and Individuals**

### **SEC. 121. INCREASE IN STANDARD DEDUCTION.**

(a) IN GENERAL.—Section 63(c)(2) is amended—

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

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

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

“(4) ADJUSTMENTS FOR INFLATION.—

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

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting for ‘2016’ in subparagraph (A)(ii) thereof—

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

1 “(II) in the case of the dollar  
2 amounts contained in paragraph  
3 (5)(A) or subsection (f), ‘1987’, and

4 “(III) in the case of the dollar  
5 amount contained in paragraph  
6 (5)(B), ‘1997’.

7 “(B) ROUNDING.—If any increase under  
8 subparagraph (A) is not a multiple of \$50, such  
9 increase shall be rounded to the next lowest  
10 multiple of \$50.”.

11 (c) CONFORMING AMENDMENTS.—

12 (1) Section 1(f)(7)(A) is amended by striking  
13 “section 63(c)(4),”.

14 (2) Section 1(f)(7)(B) is amended by striking  
15 “sections 63(c)(4) and” and inserting “section”.

16 (3) Section 63(c) is amended by striking para-  
17 graph (7).

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

21 **SEC. 122. INCREASE IN AND MODIFICATION OF CHILD TAX**  
22 **CREDIT.**

23 (a) IN GENERAL.—Section 24 is amended by striking  
24 subsections (a), (b), and (c) and inserting the following  
25 new subsections:



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

4               “(1) \$2,000 for each qualifying child of the tax-  
 5       payer, and

6               “(2) \$500 for each qualifying dependent (other  
 7       than a qualifying child) of the taxpayer.

8       “(b) LIMITATION BASED ON ADJUSTED GROSS IN-  
 9       COME.—The amount of the credit allowable under sub-  
 10      section (a) shall be reduced (but not below zero) by \$50  
 11      for each \$1,000 (or fraction thereof) by which the tax-  
 12      payer’s modified adjusted gross income exceeds \$400,000  
 13      in the case of a joint return (\$200,000 in any other case).  
 14      For purposes of the preceding sentence, the term “modi-  
 15      fied adjusted gross income” means adjusted gross income  
 16      increased by any amount excluded from gross income  
 17      under section 911, 931, or 933.

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

20              “(1) QUALIFYING CHILD.—The term ‘qualifying  
 21      child’ means any qualifying dependent of the tax-  
 22      payer—

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

1           “(B) who has not attained age 17 at the  
2           close of the calendar year in which the taxable  
3           year of the taxpayer begins, and

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

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

14          “(3) SOCIAL SECURITY NUMBER DEFINED.—  
15          For purposes of this subsection, the term ‘social se-  
16          curity number’ means, with respect to a return of  
17          tax, a social security number issued to an individual  
18          by the Social Security Administration, but only if  
19          the social security number is issued—

20                 “(A) to a citizen of the United States or  
21                 pursuant to subclause (I) (or that portion of  
22                 subclause (III) that relates to subclause (I)) of  
23                 section 205(c)(2)(B)(i) of the Social Security  
24                 Act, and

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

3 (b) PORTION OF CREDIT REFUNDABLE.—

4 (1) IN GENERAL.—Section 24(d)(1)(A) is  
5 amended to read as follows:

6 “(A) the credit which would be allowed  
7 under this section determined—

8 “(i) by substituting ‘\$1,400’ for  
9 ‘\$2,000’ in subsection (a)(1),

10 “(ii) without regard to subsection  
11 (a)(2), and

12 “(iii) without regard to this subsection  
13 and the limitation under section 26(a),  
14 or”.

15 (2) MODIFICATION OF LIMITATION BASED ON  
16 EARNED INCOME.—Section 24(d)(1)(B)(i) is amend-  
17 ed by striking “\$3,000” and inserting “\$2,500”.

18 (3) INFLATION ADJUSTMENT.—Section 24(d) is  
19 amended by inserting after paragraph (3) the fol-  
20 lowing new paragraph:

21 “(4) ADJUSTMENT FOR INFLATION.—

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

1 “(i) such dollar amount, multiplied by

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

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

11 “(C) LIMITATION.—The amount of any in-  
12 crease under subparagraph (A) (after the appli-  
13 cation of subparagraph (B)) shall not exceed  
14 \$600.”.

15 (4) CONFORMING AMENDMENTS.—

16 (A) Section 24(e) is amended to read as  
17 follows:

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

22 (B) Section 24 is amended by striking sub-  
23 section (h).

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

4       **SEC. 123. INCREASED LIMITATION FOR CERTAIN CHARITABLE CONTRIBUTIONS.**

6       (a) IN GENERAL.—Section 170(b)(1)(G) is amended  
 7 to read as follows:

8               “(G) CASH CONTRIBUTIONS.—

9               “(i) IN GENERAL.—Any contribution  
 10 of cash to an organization described in  
 11 subparagraph (A) shall be allowed to the  
 12 extent that the aggregate of such contribu-  
 13 tions does not exceed 60 percent of the  
 14 taxpayer’s contribution base for the taxable  
 15 year, reduced by the aggregate amount of  
 16 contributions allowable under subpara-  
 17 graph (A) for such taxpayer for such year.

18               “(ii) CARRYOVER.—If the aggregate  
 19 amount of contributions described in clause  
 20 (i) exceeds the limitation of clause (i), such  
 21 excess shall be treated (in a manner con-  
 22 sistent with the rules of subsection (d)(1))  
 23 as a charitable contribution to which clause  
 24 (i) applies in each of the 5 succeeding  
 25 years in order of time.”.

1 (b) COORDINATION WITH LIMITATIONS ON OTHER  
2 CONTRIBUTIONS.—

3 (1) COORDINATION WITH 50 PERCENT LIMITA-  
4 TION.—Section 170(b)(1)(A) is amended by striking  
5 “Any charitable contribution” and inserting “Any  
6 charitable contribution other than a contribution de-  
7 scribed in subparagraph (G)”.

8 (2) COORDINATION WITH 30 PERCENT LIMITA-  
9 TION.—Section 170(b)(1)(B) is amended—

10 (A) in the matter preceding clause (i), by  
11 striking “to which subparagraph (A) applies”  
12 and inserting “to which subparagraph (A) or  
13 (G) applies”,

14 (B) by amending clause (ii) to read as fol-  
15 lows:

16 “(ii) the excess of—

17 “(I) the sum of 50 percent of the  
18 taxpayer’s contribution base for the  
19 taxable year, plus so much of the  
20 amount of charitable contributions al-  
21 lowable under subparagraph (G) as  
22 does not exceed 10 percent of such  
23 contribution base, over

24 “(II) the amount of charitable  
25 contributions allowable under sub-

1 paragraphs (A) and (G) (determined  
 2 without regard to subparagraph  
 3 (C)).”, and

4 (C) in the matter following clause (ii), by  
 5 striking “(to which subparagraph (A) does not  
 6 apply)” and inserting “(to which neither sub-  
 7 paragraph (A) nor (G) applies)”.

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

11 **SEC. 124. INCREASED CONTRIBUTIONS TO ABLE AC-**  
 12 **COUNTS.**

13 (a) INCREASE IN LIMITATION FOR CONTRIBUTIONS  
 14 FROM COMPENSATION OF INDIVIDUALS WITH DISABIL-  
 15 ITIES.—Section 529A(b)(2)(B)(ii) is amended by striking  
 16 “before January 1, 2026”.

17 (b) ALLOWANCE OF SAVER’S CREDIT FOR ABLE  
 18 CONTRIBUTIONS BY ACCOUNT HOLDER.—Section  
 19 25B(d)(1)(D) is amended by striking “made before Janu-  
 20 ary 1, 2026,”.

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

1 **SEC. 125. ROLLOVERS TO ABLE PROGRAMS FROM 529 PRO-**  
 2 **GRAMS.**

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

5 (b) EFFECTIVE DATE.—The amendments made by  
 6 this section shall apply to distributions after December 31,  
 7 2017.

8 **SEC. 126. TREATMENT OF CERTAIN INDIVIDUALS PER-**  
 9 **FORMING SERVICES IN THE SINAI PENIN-**  
 10 **SULA OF EGYPT.**

11 (a) IN GENERAL.—Section 112(c)(2) is amended—

12 (1) by striking “means any area” and inserting

13 “means—

14 “(A) any area”, and

15 (2) by striking the period at the end and insert-

16 ing “, and

17 “(B) the Sinai Peninsula of Egypt.”.

18 (b) PERIOD OF TREATMENT.—Section 112(c)(3) is

19 amended—

20 (1) by striking “only if performed” and insert-

21 ing “only if—

22 “(A) in the case of an area described in

23 paragraph (2)(A), such service is performed”,

24 and

25 (2) by striking the period at the end and insert-

26 ing “, and



1           “(B) in the case of the area described in  
2           paragraph (2)(B), such service is performed  
3           during any period with respect to which one or  
4           more members of the Armed Forces of the  
5           United States are entitled to special pay under  
6           section 310 of title 37, United States Code (re-  
7           lating to special pay; duty subject to hostile fire  
8           or imminent danger), for service performed in  
9           such area.”.

10       (c) CONFORMING AMENDMENT.—The Tax Cuts and  
11   Jobs Act is amended by striking section 11026.

12       (d) EFFECTIVE DATE.—The amendments made by  
13   this section shall apply with respect to services performed  
14   on or after the date of the enactment of this Act.

15   **SEC. 127. EXTENSION OF REDUCTION IN THRESHOLD FOR**  
16                           **MEDICAL EXPENSE DEDUCTION.**

17       (a) IN GENERAL.—Section 213(a) is amended by in-  
18   serting “(7.5 percent in the case of any taxable year begin-  
19   ning after December 31, 2018, and ending before January  
20   1, 2021)” after “10 percent”.

21       (b) CONFORMING AMENDMENTS.—

22           (1) Section 56(b)(1) is amended by striking  
23   subparagraph (B) and by redesignating subpara-  
24   graphs (C) through (F) as subparagraphs (B)  
25   through (E), respectively.

1           (2) Section 213 is amended by striking sub-  
2       section (f).

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

## 6                   **Subtitle D—Education**

### 7   **SEC. 131. TREATMENT OF STUDENT LOANS DISCHARGED** 8                   **ON ACCOUNT OF DEATH OR DISABILITY.**

9       (a) IN GENERAL.—Section 108(f)(5) is amended by  
10 striking “after December 31, 2017, and before January  
11 1, 2026”.

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

## 15                   **Subtitle E—Deductions and** 16                   **Exclusions**

### 17   **SEC. 141. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-** 18                   **TIONS.**

19       (a) IN GENERAL.—Part V of subchapter B of chapter  
20 1 is hereby repealed.

21       (b) DEFINITION OF DEPENDENT RETAINED.—Sec-  
22 tion 152, prior to the repeal made by subsection (a), is  
23 hereby redesignated as section 7706 and moved to the end  
24 of chapter 79.

1 (c) APPLICATION TO TRUSTS AND ESTATES.—Sec-  
 2 tion 642(b) is amended—

3 (1) in paragraph (2)(C)—

4 (A) in clause (i), by striking “the exemp-  
 5 tion amount under section 151(d)” and all that  
 6 follows through the period at the end and in-  
 7 serting “the dollar amount in effect under sec-  
 8 tion 7706(d)(1)(B).”, and

9 (B) by striking clause (iii),

10 (2) by striking paragraph (3), and

11 (3) by striking “DEDUCTION FOR PERSONAL  
 12 EXEMPTION” in the heading thereof and inserting  
 13 “BASIC DEDUCTION”.

14 (d) APPLICATION TO NONRESIDENT ALIENS.—Sec-  
 15 tion 873(b) is amended by striking paragraph (3).

16 (e) MODIFICATION OF RETURN REQUIREMENT.—

17 (1) IN GENERAL.—Section 6012(a)(1) is  
 18 amended to read as follows:

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

22 “(A) an individual who is not married (de-  
 23 termined by applying section 7703) and who  
 24 has gross income for the taxable year which  
 25 does not exceed the standard deduction applica-

1           ble to such individual for such taxable year  
2           under section 63, or

3                 “(B) an individual entitled to make a joint  
4           return if—

5                 “(i) the gross income of such indi-  
6           vidual, when combined with the gross in-  
7           come of such individual’s spouse, for the  
8           taxable year does not exceed the standard  
9           deduction which would be applicable for  
10          such taxable year under section 63 if such  
11          individual and such individual’s spouse  
12          made a joint return,

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

15                “(iii) neither such individual nor such  
16          individual’s spouse is an individual de-  
17          scribed in section 63(c)(4) who has income  
18          (other than earned income) in excess of the  
19          amount in effect under section  
20          63(c)(4)(A).”.

21               (2)       BANKRUPTCY       ESTATES.—Section  
22          6012(a)(8) is amended by striking “the sum of the  
23          exemption amount plus the basic standard deduction  
24          under section 63(c)(2)(C)” and inserting “the stand-  
25          ard deduction in effect under section 63(c)(1)(B)”.

1           (3) CONFORMING AMENDMENT.—Section 6012  
2       is amended by striking subsection (f).

3       (f) CONFORMING AMENDMENTS.—

4           (1) Section 1(f)(7), as amended by section 121,  
5       is amended—

6           (A) by striking “, section 68(b)(2) or sec-  
7       tion 151(d)(4)” in subparagraph (A) and in-  
8       serting “or section 68(b)(2)”, and

9           (B) by striking “(other than with respect  
10      to section 151(d)(4)(A))” in subparagraph (B).

11          (2) Section 1(g)(5)(A) is amended by striking  
12      “section 152(e)” and inserting “section 7706(e)”.

13          (3) Section 2(a)(1)(B) is amended—

14           (A) by striking “section 152” and insert-  
15      ing “section 7706”, and

16           (B) by striking “with respect to whom the  
17      taxpayer is entitled to a deduction for the tax-  
18      able year under section 151” and inserting  
19      “whose TIN is included on the taxpayer’s re-  
20      turn of tax for the taxable year”.

21          (4) Section 2(b)(1)(A)(i) is amended—

22           (A) in the matter preceding subclause  
23      (I)—

24           (i) by striking “section 152(c)” and  
25      inserting “section 7706(c)”, and

1 (ii) by striking “section 152(e)” and  
2 inserting “section 7706(e)”, and

3 (B) in subclause (II), by striking “section  
4 152(b)(2) or 152(b)(3)” and inserting “section  
5 7706(b)(2) or 7706(b)(3)”.

6 (5) Section 2(b)(1)(A)(ii) is amended by strik-  
7 ing “if the taxpayer is entitled to a deduction for the  
8 taxable year for such person under section 151” and  
9 inserting “if the taxpayer included such person’s  
10 TIN on the return of tax for the taxable year”.

11 (6) Section 2(b)(1)(B) is amended by striking  
12 “if the taxpayer is entitled to a deduction for the  
13 taxable year for such father or mother under section  
14 151” and inserting “if such father or mother is a  
15 dependent of the taxpayer and the taxpayer included  
16 such father or mother’s TIN on the return of tax for  
17 the taxable year”.

18 (7) Section 2(b)(3)(B) is amended—

19 (A) by striking “section 152(d)(2)” in  
20 clause (i) and inserting “section 7706(d)(2)”,  
21 and

22 (B) by striking “section 152(d)” in clause  
23 (ii) and inserting “section 7706(d)”.

1           (8) Section 21(b)(1)(A) is amended by striking  
2           “section 152(a)(1)” and inserting “section  
3           7706(a)(1)”.

4           (9) Section 21(b)(1)(B) is amended by striking  
5           “section 152” and inserting “section 7706”.

6           (10) Section 21(e)(5)(A) is amended by striking  
7           “section 152(e)” and inserting “section 7706(e)”.

8           (11) Section 21(e)(5) is amended by striking  
9           “section 152(e)(4)(A)” in the matter following sub-  
10          paragraph (B) and inserting “section  
11          7706(e)(4)(A)”.

12          (12) Section 21(e)(6)(A) is amended to read as  
13          follows:

14                 “(A) who is a dependent of either the tax-  
15                 payer or the taxpayer’s spouse for the taxable  
16                 year, or”.

17          (13) Section 21(e)(6)(B) is amended by striking  
18          “section 152(f)(1)” and inserting “section  
19          7706(f)(1)”.

20          (14) Section 25A(f)(1)(A)(iii) is amended by  
21          striking “with respect to whom the taxpayer is al-  
22          lowed a deduction under section 151”.

23          (15) Section 25A(g)(3) is amended by striking  
24          “If a deduction under section 151 with respect to an  
25          individual is allowed to another taxpayer” and in-

1       serting “If an individual is a dependent of another  
2       taxpayer”.

3           (16) Section 25B(c)(2)(A) is amended by strik-  
4       ing “any individual with respect to whom a deduc-  
5       tion under section 151 is allowed to another tax-  
6       payer” and inserting “any individual who is a de-  
7       pendent of another taxpayer”.

8           (17) Section 25B(c)(2)(B) is amended by strik-  
9       ing “section 152(f)(2)” and inserting “section  
10      7706(f)(2)”.

11          (18) Section 32(c)(1)(A)(ii)(III) is amended by  
12      striking “a dependent for whom a deduction is al-  
13      lowable under section 151 to another taxpayer” and  
14      inserting “a dependent of another taxpayer”.

15          (19) Section 32(c)(3) is amended—

16           (A) in subparagraph (A)—

17               (i) by striking “section 152(c)” and  
18               inserting “section 7706(c)”, and

19               (ii) by striking “section 152(e)” and  
20               inserting “section 7706(e)”,

21           (B) in subparagraph (B), by striking “un-  
22      less the taxpayer is entitled to a deduction  
23      under section 151 for such taxable year with re-  
24      spect to such individual (or would be so entitled  
25      but for section 152(e)” and inserting “if such



1 individual is not treated as a dependent of such  
2 taxpayer for such taxable year by reason of sec-  
3 tion 7706(b)(2) (determined without regard to  
4 section 7706(e))”, and

5 (C) in subparagraph (C), by striking “sec-  
6 tion 152(c)(1)(B)” and inserting “section  
7 7706(c)(1)(B)”.

8 (20) Section 35(d)(1)(B) is amended by strik-  
9 ing “with respect to whom the taxpayer is entitled  
10 to a deduction under section 151(c)” and inserting  
11 “if the taxpayer included such person’s TIN on the  
12 return of tax for the taxable year”.

13 (21) Section 35(d)(2) is amended—

14 (A) by striking “section 152(e)” and in-  
15 serting “section 7706(e)”, and

16 (B) by striking “section 152(e)(4)(A)” and  
17 inserting “section 7706(e)(4)(A)”.

18 (22) Section 36B(b)(2)(A) is amended by strik-  
19 ing “section 152” and inserting “section 7706”.

20 (23) Section 36B(b)(3)(B) is amended by strik-  
21 ing “unless a deduction is allowed under section 151  
22 for the taxable year with respect to a dependent” in  
23 the flush matter at the end and inserting “unless  
24 the taxpayer has a dependent for the taxable year

1 (and the taxpayer included such dependent’s TIN on  
2 the return of tax for the taxable year)’’.

3 (24) Section 36B(c)(1)(D) is amended by strik-  
4 ing “with respect to whom a deduction under section  
5 151 is allowable to another taxpayer” and inserting  
6 “who is a dependent of another taxpayer”.

7 (25) Section 36B(d)(1) is amended by striking  
8 “equal to the number of individuals for whom the  
9 taxpayer is allowed a deduction under section 151  
10 (relating to allowance of deduction for personal ex-  
11 emptions) for the taxable year” and inserting “the  
12 sum of 1 (2 in the case of a joint return) plus the  
13 number of individuals who are dependents of the  
14 taxpayer for the taxable year”.

15 (26) Section 36B(e)(1) is amended by striking  
16 “1 or more individuals for whom a taxpayer is al-  
17 lowed a deduction under section 151 (relating to al-  
18 lowance of deduction for personal exemptions) for  
19 the taxable year (including the taxpayer or his  
20 spouse)” and inserting “1 or more of the taxpayer,  
21 the taxpayer’s spouse, or any dependent of the tax-  
22 payer”.

23 (27) Section 42(i)(3)(D)(ii)(I) is amended by  
24 striking “section 152” and inserting “section 7706”.

25 (28) Section 45R(e)(1)(A)(iv) is amended—

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

3 (B) by striking “section 152(d)(2)(H)”  
4 and inserting “section 7706(d)(2)(H)”.

5 (29) Section 51(i)(1) is amended—

6 (A) by striking “section 152(d)(2)” in sub-  
7 paragraphs (A) and (B) and inserting “section  
8 7706(d)(2)”, and

9 (B) by striking “section 152(d)(2)(H)” in  
10 subparagraph (C) and inserting “section  
11 7706(d)(2)(H)”.

12 (30) Section 56(b)(1)(D), as amended by the  
13 preceding provisions of this Act, is amended—

14 (A) by striking “, the deduction for per-  
15 sonal exemptions under section 151,” and

16 (B) by striking “AND DEDUCTION FOR  
17 PERSONAL EXEMPTIONS” in the heading there-  
18 of.

19 (31) Section 63(b) is amended by adding “and”  
20 at the end of paragraph (1), by striking paragraph  
21 (2), and by redesignating paragraph (3) as para-  
22 graph (2).

23 (32) Section 63(c), as amended by section 121,  
24 is amended by striking paragraph (3) and redesign-

1 nating paragraphs (4), (5), and (6) as paragraphs  
2 (3), (4), and (5), respectively.

3 (33) Section 63(c)(4), as redesignated, is  
4 amended—

5 (A) by striking “with respect to whom a  
6 deduction under section 151 is allowable to”  
7 and inserting “who is a dependent of”, and

8 (B) by striking “CERTAIN” in the heading  
9 thereof.

10 (34) Section 63(d) is amended by adding “and”  
11 at the end of paragraph (1), by striking paragraph  
12 (2), and by redesignating paragraph (3) as para-  
13 graph (2).

14 (35) Section 63(f) is amended by striking all  
15 that precedes paragraph (3) and inserting the fol-  
16 lowing:

17 “(f) ADDITIONAL STANDARD DEDUCTION FOR THE  
18 AGED AND BLIND.—

19 “(1) IN GENERAL.—For purposes of subsection  
20 (c)(1), the additional standard deduction is, with re-  
21 spect to a taxpayer for a taxable year, the sum of—

22 “(A) \$600 if the taxpayer has attained age  
23 65 before the close of such taxable year, and

24 “(B) \$600 if the taxpayer is blind as of  
25 the close of such taxable year.

1           “(2) APPLICATION TO MARRIED INDIVID-  
2           UALS.—

3           “(A) JOINT RETURNS.—In the case of a  
4           joint return, paragraph (1) shall be applied sep-  
5           arately with respect to each spouse.

6           “(B) CERTAIN MARRIED INDIVIDUALS FIL-  
7           ING SEPARATELY.—In the case of a married in-  
8           dividual filing a separate return, if—

9           “(i) the spouse of such individual has  
10          no gross income for the calendar year in  
11          which the taxable year of such individual  
12          begins,

13          “(ii) such spouse is not the dependent  
14          of another taxpayer for a taxable year be-  
15          ginning in the calendar year in which such  
16          individual’s taxable year begins, and

17          “(iii) the TIN of such spouse is in-  
18          cluded on such individual’s return of tax  
19          for the taxable year,

20          the additional standard deduction shall be de-  
21          termined in the same manner as if such indi-  
22          vidual and such individual’s spouse filed a joint  
23          return.”.

1           (36) Section 63(f)(3) is amended by striking  
2           “paragraphs (1) and (2)” and inserting “subpara-  
3           graphs (A) and (B) of paragraph (1)”.

4           (37) Section 72(t)(2)(D)(i)(III) is amended by  
5           striking “section 152” and inserting “section 7706”.

6           (38) Section 72(t)(7)(A)(iii) is amended by  
7           striking “section 152(f)(1)” and inserting “section  
8           7706(f)(1)”.

9           (39) Section 105(b) is amended—

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

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

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

16           (40) Section 105(c)(1) is amended by striking  
17           “section 152” and inserting “section 7706”.

18           (41) Section 125(e)(1)(D) is amended by strik-  
19           ing “section 152” and inserting “section 7706”.

20           (42) Section 129(c)(1) is amended to read as  
21           follows:

22           “(1) who is a dependent of such employee or of  
23           such employee’s spouse, or”.

1           (43) Section 129(c)(2) is amended by striking  
2           “section 152(f)(1)” and inserting “section  
3           7706(f)(1)”.

4           (44) Section 132(h)(2)(B) is amended—  
5                 (A) by striking “section 152(f)(1)” and in-  
6                 serting “section 7706(f)(1)”, and  
7                 (B) by striking “section 152(e)” and in-  
8                 serting “section 7706(e)”.

9           (45) Section 139D(c)(5) is amended by striking  
10           “section 152” and inserting “section 7706”.

11           (46) Section 139E(c)(2) is amended by striking  
12           “section 152” and inserting “section 7706”.

13           (47) Section 162(l)(1)(D) is amended by strik-  
14           ing “section 152(f)(1)” and inserting “section  
15           7706(f)(1)”.

16           (48) Section 170(g)(1) is amended by striking  
17           “section 152” and inserting “section 7706”.

18           (49) Section 170(g)(3) is amended by striking  
19           “section 152(d)(2)” and inserting “section  
20           7706(d)(2)”.

21           (50) Section 172(d) is amended by striking  
22           paragraph (3).

23           (51) Section 213(a) is amended by striking  
24           “section 152” and inserting “section 7706”.

1           (52) Section 213(d)(5) is amended by striking  
2           “section 152(e)” and inserting “section 7706(e)”.

3           (53) Section 213(d)(11) is amended by striking  
4           “section 152(d)(2)” in the matter following subpara-  
5           graph (B) and inserting “section 7706(d)(2)”.

6           (54) Section 220(b)(6) is amended by striking  
7           “with respect to whom a deduction under section  
8           151 is allowable to” and inserting “who is a depend-  
9           ent of”.

10          (55) Section 220(d)(2)(A) is amended by strik-  
11          ing “section 152” and inserting “section 7706”.

12          (56) Section 221(d)(4) is amended by striking  
13          “section 152” and inserting “section 7706”.

14          (57) Section 222(c)(3) is amended by striking  
15          “with respect to whom a deduction under section  
16          151 is allowable to” and inserting “who is a depend-  
17          ent of”.

18          (58) Section 223(b)(6) is amended by striking  
19          “with respect to whom a deduction under section  
20          151 is allowable to” and inserting “who is a depend-  
21          ent of”.

22          (59) Section 223(d)(2)(A) is amended by strik-  
23          ing “section 152” and inserting “section 7706”.



1           (60) Section 401(h) is amended by striking  
2           “section 152(f)(1)” in the last sentence and insert-  
3           ing “section 7706(f)(1)”.

4           (61) Section 402(l)(4)(D) is amended by strik-  
5           ing “section 152” and inserting “section 7706”.

6           (62) Section 409A(a)(2)(B)(ii)(I) is amended  
7           by striking “section 152(a)” and inserting “section  
8           7706(a)”.

9           (63) Section 441(f)(2)(B)(iii) is amended by  
10          striking “, but only the adjusted amount of the de-  
11          ductions for personal exemptions as described in sec-  
12          tion 443(c)”.

13          (64) Section 443 is amended—

14                (A) in subsection (b)—

15                   (i) by striking paragraph (3), and

16                   (ii) by striking “modified taxable in-  
17                   come” and inserting “taxable income” each  
18                   place such term appears,

19                (B) by striking subsection (c), and

20                (C) by redesignating subsections (d) and  
21                (e) as subsections (c) and (d), respectively.

22          (65) Section 501(c)(9) is amended by striking  
23          “section 152(f)(1)” and inserting “section  
24          7706(f)(1)”.

1           (66) Section 529(e)(2)(B) is amended by strik-  
2           ing “section 152(d)(2)” and inserting “section  
3           7706(d)(2)”.

4           (67) Section 529A(e)(4) is amended—

5                   (A) by striking “section 152(d)(2)(B)” and  
6                   inserting “section 7706(d)(2)(B)”, and

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

9           (68) Section 643(a)(2) is amended—

10                   (A) by striking “(relating to deduction for  
11                   personal exemptions)” and inserting “(relating  
12                   to basic deduction)”, and

13                   (B) by striking “DEDUCTION FOR PER-  
14                   SONAL EXEMPTION” in the heading thereof and  
15                   inserting “BASIC DEDUCTION”.

16           (69) Section 703(a)(2) is amended by striking  
17           subparagraph (A) and by redesignating subpara-  
18           graphs (B) through (F) as subparagraphs (A)  
19           through (E), respectively.

20           (70) Section 874 is amended by striking sub-  
21           section (b) and by redesignating subsection (c) as  
22           subsection (b).

23           (71) Section 891 is amended by striking “under  
24           section 151 and”.

1           (72) Section 904(b)(1) is amended to read as  
2 follows:

3           “(1) DEDUCTION FOR ESTATES AND TRUSTS.—  
4 For purposes of subsection (a), the taxable income  
5 of an estate or trust shall be computed without any  
6 deduction under section 642(b).”.

7           (73) Section 931(b)(1) is amended to read as  
8 follows:

9           “(1) any deduction from gross income, or”.

10          (74) Section 933 is amended—

11           (A) by striking “as a deduction from his  
12 gross income any deductions (other than the de-  
13 duction under section 151, relating to personal  
14 exemptions)” in paragraph (1) and inserting  
15 “any deduction from gross income”, and

16           (B) by striking “as a deduction from his  
17 gross income any deductions (other than the de-  
18 duction for personal exemptions under section  
19 151)” in paragraph (2) and inserting “any de-  
20 duction from gross income”.

21          (75) Section 1212(b)(2)(B)(ii) is amended to  
22 read as follows:

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

1           (76) Section 1361(c)(1)(C) is amended by strik-  
2           ing “section 152(f)(1)(C)” and inserting “section  
3           7706(f)(1)(C)”.

4           (77) Section 1402(a) is amended by striking  
5           paragraph (7).

6           (78) Section 2032A(c)(7)(D) is amended by  
7           striking “section 152(f)(2)” and inserting “section  
8           7706(f)(2)”.

9           (79) Section 3402(m)(1) is amended by striking  
10          “other than the deductions referred to in section  
11          151 and”.

12          (80) Section 3402(r)(2) is amended by striking  
13          “the sum of—” and all that follows and inserting  
14          “the basic standard deduction (as defined in section  
15          63(c)) for an individual to whom section 63(c)(2)(C)  
16          applies.”.

17          (81) Section 5000A(b)(3)(A) is amended by  
18          striking “section 152” and inserting “section 7706”.

19          (82) Section 5000A(c)(4)(A) is amended by  
20          striking “the number of individuals for whom the  
21          taxpayer is allowed a deduction under section 151  
22          (relating to allowance of deduction for personal ex-  
23          emptions) for the taxable year” and inserting “the  
24          sum of 1 (2 in the case of a joint return) plus the

1       number of the taxpayer’s dependents for the taxable  
2       year”.

3           (83) Section 6013(b)(3)(A) is amended—

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

7               (B) by striking “had gross income of the  
8               exemption amount or more” in clause (iii) and  
9               inserting “had any gross income”, and

10              (C) by striking the flush language fol-  
11              lowing clause (iii).

12           (84) Section 6014(a) is amended by striking  
13           “section 6012(a)(1)(C)(i)” and inserting “section  
14           6012(a)(1)(B)(iii)”.

15           (85) Section 6014(b)(4) is amended by striking  
16           “63(c)(5)” and inserting “63(c)(4)”.

17           (86) Section 6103(l)(21)(A)(iii) is amended to  
18           read as follows:

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

21           (87) Section 6213(g)(2)(H) is amended by  
22           striking “section 21 (relating to expenses for house-  
23           hold and dependent care services necessary for gain-  
24           ful employment) or section 151 (relating to allow-  
25           ance of deductions for personal exemptions)” and in-

serting “subsection (a)(1)(B), (b)(1)(A)(ii), or  
(b)(1)(B) of section 2 or section 21, 35(d)(1)(B),  
36B(b)(3)(B), or 63(f)(2)(B)”.

(88) Section 6334(d) is amended—

(A) by amending paragraph (2) to read as  
follows:

“(2) EXEMPT AMOUNT.—

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

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

“(ii) 52.

“(B) AMOUNT DETERMINED.—For pur-  
poses of subparagraph (A), the amount deter-  
mined under this subparagraph is—

“(i) the dollar amount in effect under  
section 7706(d)(1)(B), multiplied by

“(ii) the number of the taxpayer’s de-  
pendents for the taxable year in which the  
levy occurs.

“(C) VERIFIED STATEMENT.—Unless the  
taxpayer submits to the Secretary a written and  
properly verified statement specifying the facts

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

6                       (B) by striking paragraph (4).

7           (89) Section 7702B(f)(2)(C)(iii) is amended by  
8           striking “section 152(d)(2)” and inserting “section  
9           7706(d)(2)”.

10          (90) Section 7703(a) is amended by striking  
11          “part V of subchapter B of chapter 1 and”.

12          (91) Section 7703(b)(1) is amended by striking  
13          “section 152(f)(1))” and all that follows and insert-  
14          ing “section 7706(f)(1)) who is a dependent of such  
15          individual for the taxable year (or would be but for  
16          section 7706(e)),”.

17          (92) Section 7706(a), as redesignated by this  
18          section, is amended by striking “this subtitle” and  
19          inserting “subtitle A”.

20          (93)(A) Section 7706(d)(1)(B), as redesignated  
21          by this section, is amended by striking “the exemp-  
22          tion amount (as defined in section 151(d))” and in-  
23          serting “\$4,150”.

1           (B) Section 7706(d), as redesignated by this  
2           section, is amended by adding at the end the fol-  
3           lowing new paragraph:

4           “(6) INFLATION ADJUSTMENT.—In the case of  
5           any taxable year beginning in a calendar year begin-  
6           ning after 2018, the \$4,150 amount in paragraph  
7           (1)(B) shall be increased by an amount equal to—

8                   “(A) such dollar amount, multiplied by

9                   “(B) the cost-of-living adjustment deter-  
10                  mined under section 1(c)(2)(A) for the calendar  
11                  year in which such taxable year begins, deter-  
12                  mined by substituting ‘calendar year 2017’ for  
13                  ‘calendar year 2016’ in clause (ii) thereof.

14          If any increase determined under the preceding sen-  
15          tence is not a multiple of \$50, such increase shall  
16          be rounded to the next lowest multiple of \$50.”.

17          (94) Section 7706(e)(3), as redesignated by this  
18          section, is amended by inserting “(as in effect before  
19          its repeal)” after “section 151”.

20          (95) Section 7706(f)(6)(B), as redesignated by  
21          this section, is amended by striking clause (i) and  
22          designating clauses (ii), (iii), and (iv) as clauses (i),  
23          (ii), and (iii), respectively.



1           (96) The table of parts for subchapter B of  
 2           chapter 1 is amended by striking the item relating  
 3           to part V.

4           (97) The table of sections for chapter 79 is  
 5           amended by adding at the end the following new  
 6           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. 142. LIMITATION ON DEDUCTION FOR STATE AND**  
 11                           **LOCAL, ETC. TAXES.**

12           (a) IN GENERAL.—Section 164(b)(6) is amended by  
 13           striking all that precedes “The preceding sentence” and  
 14           inserting the following:

15                       “(6) LIMITATION ON INDIVIDUAL DEDUC-

16           TIONS.—In the case of an individual—

17                       “(A) no deduction shall be allowed under  
 18                       this chapter for foreign real property taxes paid  
 19                       or accrued during the taxable year, and

20                       “(B) the aggregate amount of the deduc-

21                       tion allowed under this chapter for taxes de-

22                       scribed in paragraphs (1), (2), and (3) of sub-

23                       section (a) and paragraph (5) of this subsection

24                       paid or accrued by the taxpayer during the tax-

25                       able year shall not exceed \$10,000 (\$5,000 in

1           the case of a married individual filing a sepa-  
 2           rate return).”.

3           (b) **EFFECTIVE DATE.**—The amendment made by  
 4 this section shall apply to taxable years beginning after  
 5 December 31, 2017.

6 **SEC. 143. LIMITATION ON DEDUCTION FOR QUALIFIED RES-**  
 7 **IDENCE INTEREST.**

8           (a) **INTEREST ON HOME EQUITY INDEBTEDNESS.**—  
 9 Section 163(h)(3)(A) is amended by striking “during the  
 10 taxable year on” and all that follows through “residence  
 11 of the taxpayer.” and inserting “during the taxable year  
 12 on acquisition indebtedness with respect to any qualified  
 13 residence of the taxpayer.”.

14          (b) **LIMITATION ON ACQUISITION INDEBTEDNESS.**—  
 15 Section 163(h)(3)(B)(ii) is amended to read as follows:

16                           “(ii) **LIMITATION.**—The aggregate  
 17                           amount treated as acquisition indebtedness  
 18                           for any period shall not exceed the excess  
 19                           (if any) of—

20   “(I) \$750,00 (\$375,000, in the  
 21   case of a married individual filing a  
 22   separate return), over

23   “(II) the sum of the aggregate  
 24   outstanding pre-October 13, 1987, in-  
 25   debtedness (as defined in subpara-

1 graph (D)) plus the aggregate out-  
 2 standing pre-December 15, 2017, in-  
 3 debtedness (as defined in subpara-  
 4 graph (C)).”.

5 (c) TREATMENT OF INDEBTEDNESS INCURRED ON  
 6 OR BEFORE DECEMBER 15, 2017.—Section 163(h)(3)(C)  
 7 is amended to read as follows:

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

10 “(i) IN GENERAL.—In the case of any  
 11 pre-December 15, 2017, indebtedness, sub-  
 12 paragraph (B)(ii) shall not apply and the  
 13 aggregate amount of such indebtedness  
 14 treated as acquisition indebtedness for any  
 15 period shall not exceed the excess (if any)  
 16 of—

17 “(I) \$1,000,000 (\$500,000, in  
 18 the case of a married individual filing  
 19 a separate return), over

20 “(II) the aggregate outstanding  
 21 pre-October 13, 1987, indebtedness  
 22 (as defined in subparagraph (D)).

23 “(ii) PRE-DECEMBER 15, 2017, IN-  
 24 DEBTEDNESS.—For purposes of this sub-  
 25 paragraph—

1                   “(I) IN GENERAL.—The term  
2                   ‘pre-December 15, 2017, indebted-  
3                   ness’ means indebtedness (other than  
4                   pre-October 13, 1987, indebtedness)  
5                   incurred on or before December 15,  
6                   2017.

7                   “(II) BINDING WRITTEN CON-  
8                   TRACT EXCEPTION.—In the case of a  
9                   taxpayer who enters into a written  
10                  binding contract before December 15,  
11                  2017, to close on the purchase of a  
12                  principal residence before January 1,  
13                  2018, and who purchases such resi-  
14                  dence before April 1, 2018, the term  
15                  ‘pre-December 15, 2017, indebted-  
16                  ness’ shall include indebtedness se-  
17                  cured by such residence.

18                  “(iii) REFINANCING INDEBTED-  
19                  NESS.—

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

1           indebtedness was incurred to the ex-  
 2           tent the amount of the indebtedness  
 3           resulting from such refinancing does  
 4           not exceed the amount of the refi-  
 5           nanced indebtedness.

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

17          (d) COORDINATION WITH TREATMENT OF INDEBT-  
 18          EDNESS INCURRED ON OR BEFORE OCTOBER 13, 1987.—  
 19          Section 163(h)(3)(D) is amended—

20                  (1) by striking clause (ii) and redesignating  
 21          clauses (iii) and (iv) as clauses (ii) and (iii), respec-  
 22          tively, and

23                  (2) in clause (iii) (as so redesignated)—

1 (A) by striking “clause (iii)” in the matter  
 2 preceding subclause (I) and inserting “clause  
 3 (ii)”, and

4 (B) by striking “clause (iii)(I)” in sub-  
 5 clauses (I) and (II) and inserting “clause  
 6 (ii)(I)”.

7 (e) COORDINATION WITH EXCLUSION OF INCOME  
 8 FROM DISCHARGE OF INDEBTEDNESS.—Section  
 9 108(h)(2) is amended by striking “\$1,000,000  
 10 (\$500,000” and inserting “\$750,000 (\$375,000”.

11 (f) CONFORMING AMENDMENT.—Section 163(h)(3)  
 12 is amended by striking subparagraph (F).

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

16 **SEC. 144. MODIFICATION OF DEDUCTION FOR PERSONAL**  
 17 **CASUALTY LOSSES.**

18 (a) IN GENERAL.—Section 165(h)(5)(A) is amended  
 19 by striking “in a taxable year beginning after December  
 20 31, 2017, and before January 1, 2026,”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 165(h)(5)(B) is amended by strik-  
 23 ing “for any taxable year to which subparagraph (A)  
 24 applies”.

8 SEC. 145. TERMINATION OF MISCELLANEOUS ITEMIZED DE-  
9 DUCTIONS.

11 (1) by amending subsection (a) to read as fol-  
12 lows:

15 (2) by striking subsection (g).

18                   (1) Section 67 is amended by striking sub-  
19                   section (e).

22 “(d) COMPUTATION OF ADJUSTED GROSS INCOME.—  
23 For purposes of this title, the adjusted gross income of  
24 an estate or trust shall be computed in the same manner  
25 as in the case of an individual, except that—

1           “(1) the deductions for costs which are paid or  
2           incurred in connection with the administration of the  
3           estate or trust and which would not have been in-  
4           curred if the property were not held in such trust or  
5           estate, and

6           “(2) the deductions allowable under sections  
7           642(b), 651, and 661,  
8           shall be treated as allowable in arriving at adjusted gross  
9           income.”.

10       (c) CONFORMING AMENDMENTS.—

11           (1) Section 56(b)(1)(A) is amended to read as  
12           follows:

13                   “(A) CERTAIN TAXES.—No deduction  
14                   (other than a deduction allowable in computing  
15                   adjusted gross income) shall be allowed for any  
16                   taxes described in paragraph (1), (2), or (3) of  
17                   section 164(a) or clause (ii) of section  
18                   164(b)(5)(A).”.

19           (2) Section 56(b)(1)(C), as amended by the  
20           preceding provisions of this Act, is amended by  
21           striking “subparagraph (A)(ii)” and inserting “sub-  
22           paragraph (A)”.

23           (3) Section 62(a) is amended by striking “sub-  
24           title” in the matter preceding paragraph (1) and in-  
25           serting “title”.



1           (4) Section 641(c)(2)(E) is amended to read as  
2 follows:

3                   “(E) Section 642(c) shall not apply.”.

4           (5) Section 1411(a)(2) is amended by striking  
5 “(as defined in section 67(e))”.

6           (6) Section 6654(d)(1)(C) is amended by strik-  
7 ing clause (iii).

8           (7) Section 67 is amended in the heading, by  
9 striking “**2-PERCENT FLOOR ON**” and inserting  
10 “**DENIAL OF**”.

11           (8) The table of sections for part 1 of sub-  
12 chapter B of chapter 1 is amended by striking the  
13 item relating to section 67 and inserting the fol-  
14 lowing new item:

“Sec. 67. Denial of miscellaneous itemized deductions.”.

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

18 **SEC. 146. REPEAL OF OVERALL LIMITATION ON ITEMIZED**  
19 **DEDUCTIONS.**

20           (a) **IN GENERAL.**—Part 1 of subchapter B of chapter  
21 1 is amended by striking section 68 (and the item relating  
22 to such section in the table of sections for such part).

23           (b) **CONFORMING AMENDMENTS.**—

1           (1) Section 1(f)(7)(A), as amended by sections  
2       121 and 141, is amended by striking “or section  
3       68(b)(2)”.

4           (2) Section 56(b)(1), as amended by the pre-  
5       ceding provisions of this Act, is amended by striking  
6       subparagraph (E).

7           (3) Section 164(b)(5)(H)(ii)(III) is amended by  
8       striking “(as determined under section 68(b))”.

9           (4) Section 164(b)(5)(H) is amended by adding  
10      at the end the following new clause:

11                   “(iii)   APPLICABLE   AMOUNT   DE-  
12                   FINED.—For purposes of clause (ii), the  
13                   term ‘applicable amount’ means—

14                           “(I) \$300,000 in the case of a  
15                           joint return or a surviving spouse,

16                           “(II) \$275,000 in the case of a  
17                           head of household,

18                           “(III) \$250,000 in the case of an  
19                           individual who is not married and who  
20                           is not a surviving spouse or head of  
21                           household, and

22                           “(IV)  $\frac{1}{2}$  the amount applicable  
23                           under subclause (I) in the case of a  
24                           married individual filing a separate  
25                           return.

20 SEC. 147. TERMINATION OF EXCLUSION FOR QUALIFIED BI-  
21 CYCLE COMMUTING REIMBURSEMENT.

24 (b) CONFORMING AMENDMENTS.—

1           (1) Section 132(f)(2) is amended by adding  
 2           “and” at the end of subparagraph (A), striking “,  
 3           and” at the end of subparagraph (B) and inserting  
 4           a period, and striking subparagraph (C).

5           (2) Section 132(f)(4) is amended by striking  
 6           “(other than a qualified bicycle commuting reim-  
 7           bursement)”.

8           (3) Section 132(f) is amended by striking para-  
 9           graph (8).

10          (4) Section 274(l)(2) is amended by striking  
 11          “after December 31, 2017, and before January 1,  
 12          2026”.

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

16   **SEC. 148. QUALIFIED MOVING EXPENSE REIMBURSEMENT**  
 17                           **EXCLUSION LIMITED TO MEMBERS OF**  
 18                           **ARMED FORCES.**

19          (a) IN GENERAL.—Section 132(g) is amended—

20               (1) by striking “by an individual” in paragraph  
 21               (1) and inserting “by a qualified military indi-  
 22               vidual”, and

23               (2) by striking paragraph (2) and inserting the  
 24               following new paragraph:

1           “(2) QUALIFIED MILITARY INDIVIDUAL.—For  
2           purposes of this subsection, the term ‘qualified mili-  
3           tary individual’ means a member of the Armed  
4           Forces of the United States on active duty who  
5           moves pursuant to a military order and incident to  
6           a permanent change of station.”.

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

10   **SEC. 149. DEDUCTION FOR MOVING EXPENSES LIMITED TO**  
11           **MEMBERS OF ARMED FORCES.**

12           (a) IN GENERAL.—Section 217 is amended—

13                   (1) by amending subsection (a) to read as fol-  
14           lows:

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

21                   (2) by striking subsections (c), (d), (f), and (g)  
22           and redesignating subsections (h), (i), (j), and (k) as  
23           subsections (c), (d), (f) and (g), respectively, and

24                   (3) by inserting after subsection (d), as so re-  
25           designated, the following new subsection:

1       “(e) EXPENSES FURNISHED IN KIND.—Any moving  
 2 and storage expenses which are furnished in kind (or for  
 3 which reimbursement or an allowance is provided, but only  
 4 to the extent of the expenses paid or incurred)—

5           “(1) to such member, his spouse, or his depend-  
 6 ents, shall not be includible in gross income, and no  
 7 reporting with respect to such expenses shall be re-  
 8 quired by the Secretary of Defense or the Secretary  
 9 of Transportation, as the case may be, and

10          “(2) to such member’s spouse and his depend-  
 11 ents with regard to moving to a location other than  
 12 the one to which such member moves (or from a lo-  
 13 cation other than the one from which such member  
 14 moves), this section shall apply with respect to the  
 15 moving expenses of his spouse and dependents as if  
 16 his spouse commenced work as an employee at a new  
 17 principal place of work at such location.”.

18       (b) CONFORMING AMENDMENTS.—

19           (1) Subsections (d)(3)(C) and (e) of section 23  
 20 are each amended by striking “section 217(h)(3)”  
 21 and inserting “section 217(c)(3)”.

22           (2) Section 7872(f) is amended by striking  
 23 paragraph (11).

24           (3) Section 217 is amended in the heading by  
 25 striking “**MOVING EXPENSES**” and inserting

1       **“CERTAIN MOVING EXPENSES OF MEMBERS OF**  
 2       **ARMED FORCES”.**

3           (4) The table of sections for part VII of sub-  
 4       chapter B of chapter 1 is amended by striking the  
 5       item relating to section 217 and inserting the fol-  
 6       lowing new item:

      “Sec. 217. Certain moving expenses of members of Armed Forces.”.

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

10   **SEC. 150. LIMITATION ON WAGERING LOSSES.**

11       (a) **IN GENERAL.**—Section 165(d) is amended by  
 12       striking “in the case of taxable years beginning after De-  
 13       cember 31, 2017, and before January 1, 2026,”.

14       (b) **EFFECTIVE DATE.**—The amendment made by  
 15       this section shall apply to taxable years beginning after  
 16       December 31, 2017.

17   **Subtitle F—Increase in Estate and**  
 18       **Gift Tax Exemption**

19   **SEC. 151. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.**

20       (a) **IN GENERAL.**—Section 2010(c)(3) is amended in  
 21       subparagraph (A), by striking “\$5,000,000” and inserting  
 22       “\$10,000,000”.

23       (b) **CONFORMING AMENDMENTS.**—

24           (1) Section 2001(g) is amended to read as fol-  
 25       lows:

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

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

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

11                       “(A) the applicable credit amount under  
 12 section 2505(a)(1), and

13                       “(B) the sum of the amounts allowed as a  
 14 credit for all preceding periods under section  
 15 2505(a)(2).”.

16       (2) Section 2010(c)(3) is amended by striking  
 17 subparagraph (C).

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

21 **TITLE II—INCREASED EXEMP-**  
 22 **TION FOR ALTERNATIVE MIN-**  
 23 **IMUM TAX MADE PERMANENT**

24 **SEC. 201. INCREASED EXEMPTION FOR INDIVIDUALS.**

25       (a) IN GENERAL.—Section 55(d)(1) is amended—



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

3 (2) by striking “\$50,600” in subparagraph (B)  
4 and inserting “\$70,300”.

5 (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section  
6 55(d)(2) is amended—

7 (1) by striking “\$150,000” in subparagraph  
8 (A) and inserting “\$1,000,000”, and

9 (2) by striking subparagraphs (B) and (C) and  
10 by inserting the following new subparagraphs:

11 “(B) 50 percent of the dollar amount ap-  
12 plicable under subparagraph (A) in the case of  
13 a taxpayer described in paragraph (1)(B) or  
14 (1)(C), and

15 “(C) \$75,000 in the case of a taxpayer de-  
16 scribed in paragraph (1)(D).”,

17 (c) INFLATION ADJUSTMENT.—Section 55(d)(3) is  
18 amended to read as follows:

19 “(3) INFLATION ADJUSTMENT.—In the case of  
20 any taxable year beginning in a calendar year after  
21 2018, each dollar amount described in clause (i) or  
22 (ii) of subparagraph (B) shall be increased by an  
23 amount equal to—

24 “(A) such dollar amount, multiplied by

1           “(B) the cost-of-living adjustment deter-  
2           mined under section 1(f)(3) for the calendar  
3           year in which the taxable year begins, deter-  
4           mined by substituting—

5                   “(i) in the case of a dollar amount  
6                   contained in paragraph (1)(D) or (2)(C) or  
7                   in subsection (b)(1)(A), ‘calendar year  
8                   2011’ for ‘calendar year 2016’ in subpara-  
9                   graph (A)(ii) thereof, and

10                   “(ii) in the case of a dollar amount  
11                   contained in paragraph (1)(A), (1)(B), or  
12                   (2)(A), ‘calendar year 2017’ for ‘calendar  
13                   year 2016’ in subparagraph (A)(ii) thereof.

14       Any increased amount determined under this para-  
15       graph shall be rounded to the nearest multiple of  
16       \$100 (\$50 in the case of the dollar amount con-  
17       tained in paragraph (2)(C)).”.

18       (d) CONFORMING AMENDMENT.—Section 55(d) is  
19       amended by striking paragraph (4).

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

1 **TITLE III—BUDGETARY EFFECTS**

2 **SEC. 301. BUDGETARY EFFECTS.**

3 (a) STATUTORY PAYGO SCORECARDS.—The budg-  
4 etary effects of this Act shall not be entered on either  
5 PAYGO scorecard maintained pursuant to section 4(d) of  
6 the Statutory Pay-As-You-Go Act of 2010.

7 (b) SENATE PAYGO SCORECARDS.—The budgetary  
8 effects of this Act shall not be entered on any PAYGO  
9 scorecard maintained for purposes of section 4106 of H.  
10 Con. Res. 71 (115th Congress).

Passed the House of Representatives September 28,  
2018.

Attest:

*Clerk.*

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6760

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## AN ACT

To amend the Internal Revenue Code of 1986 to make permanent certain provisions of the Tax Cuts and Jobs Act affecting individuals, families, and small businesses.