



116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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 \_\_\_\_\_

---

**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:

<b>"If taxable income is:</b>	<b>The tax is:</b>
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:

<b>"If taxable income is:</b>	<b>The tax is:</b>
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:

<b>"If taxable income is:</b>	<b>The tax is:</b>
Not over \$9,525 .....	10% of taxable income.
Over \$9,525 but not over \$38,700 .....	\$952.50, plus 12% of the excess over \$9,525.

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

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

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

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

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

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

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

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

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

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

18 (5) by striking paragraph (8).

19 (g) 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 ½ 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 (½ 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                   year 2017' for 'calendar year 2016' in sub-  
2                   paragraph (A)(ii) thereof.

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

6                   (i) CONFORMING AMENDMENTS.—

7                   (1) Section 1 of the Internal Revenue Code of  
8                   1986 is amended by striking subsections (i) and (j).

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

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

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

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

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

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

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(e)(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(e) 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           (e) 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 (e).

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(e)(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(e)(2) who has income  
17          (other than earned income) in excess of the  
18          amount in effect under section  
19          63(e)(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(e)(2)(D)” and

1 inserting “the standard deduction in effect under  
2 section 63(e)(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(e)(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 serting “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 serting “section 7706(f)(1)”, and

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

18           (13) Section 105(c)(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(e) 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(e)(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(f)(21)(A)(iii) of such Code is  
25 amended to read as follows:

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

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           ated 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          ated 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, subclausc (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 dated), 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           “(1) the tax imposed by chapter 12 with respect  
2 to such gifts, and

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

5           “(A) the applicable credit amount under  
6 section 2505(a)(1), and

7           “(B) the sum of the amounts allowed as a  
8 credit for all preceding periods under section  
9 2505(a)(2).”.

10       (c) **EFFECTIVE DATE.**—The amendments made by  
11 this section shall apply to estates of decedents dying and  
12 gifts made after December 31, 2017.

13 **SEC. 23. INCREASE IN ALTERNATIVE MINIMUM TAX EXEMP-**  
14 **TION MADE PERMANENT.**

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

17           (1) in paragraph (1)—

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

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

22           (2) in paragraph (2)—

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

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”.