

119TH CONGRESS  
1ST SESSION

# H. R. 137

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, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2025

Mr. BUCHANAN (for himself, Mr. SMITH of Nebraska, Mr. LAHOOD, Mr. ESTES, Mrs. MILLER of West Virginia, Mr. KUSTOFF, Ms. TENNEY, Ms. VAN DUYNE, Mr. FEENSTRA, Mr. CAREY, Mr. YAKYM, Mr. MORAN, Mr. MILLER of Ohio, Mr. RUTHERFORD, Mr. CRENSHAW, Mr. GUEST, Mr. MOOLENAAR, Mr. AMODEI of Nevada, Mr. FULCHER, Mr. ELLZEY, Mr. GROTHMAN, Mr. MEUSER, Mr. CLYDE, Mr. ROUZER, Mrs. HINSON, Mr. RULLI, Mr. EZELL, Mr. BOST, Mr. BARR, Mr. WEBER of Texas, and Mr. CARTER of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

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, 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. SHORT TITLE, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “TCJA Permanency Act”.

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

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

10 (d) TABLE OF CONTENTS.—The table of contents of  
 11 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.

##### Subtitle D—Education

Sec. 131. Treatment of student loan discharges.

Sec. 132. 529 account funding for homeschool and additional elementary and  
 secondary expenses.

##### 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.

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:

| <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.”. |

(b) HEADS OF HOUSEHOLDS.—Section 1(b) is amended by striking the table contained therein and inserting the following:

| <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.”. |

(c) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—Section 1(c) is amended by striking the table contained therein and inserting the following:

| <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 \$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.”. |

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—Section 1(d) is amended by striking the table 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.”. |

1           (e) ESTATES AND TRUSTS.—Section 1(e) is amended  
2 by striking the table contained therein and inserting the  
3 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.”. |

4           (f) INFLATION ADJUSTMENTS.—Section 1(f) is  
5 amended—

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

8                   “(A) by increasing the minimum and max-  
9 imum dollar amounts for each bracket for  
10 which a tax is imposed under such table by the  
11 cost-of-living adjustment for such calendar year,  
12 determined under this subsection for such cal-

1           endar year by substituting ‘2017’ for ‘2016’ in  
2           paragraph (3)(A)(ii),”

3           (2) by amending paragraph (7) to read as fol-  
4       lows:

5           “(7) ROUNDING.—

6                   “(A) IN GENERAL.—Except as provided in  
7           subparagraph (B), if any increase determined  
8           under paragraph (2)(A) is not a multiple of  
9           \$25, such increase shall be rounded to the next  
10          lowest multiple of \$25.

11                   “(B) JOINT RETURNS, ETC.—In the case  
12          of a table prescribed under subsection (a), sub-  
13          paragraph (A) shall be applied by substituting  
14          ‘\$50’ for ‘\$25’ both places it appears.”

15          (3) by striking paragraph (8), and

16          (4) in the heading, by striking “PHASEOUT OF  
17          MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-  
18          JUSTMENTS” and inserting “ADJUSTMENTS”.

19          (g) APPLICATION OF INCOME TAX BRACKETS TO  
20          CAPITAL GAINS BRACKETS.—Section 1(h) is amended—

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

23                  (2) in paragraph (1)(C)(ii)(I), by striking  
24          “which would (without regard to this paragraph) be

1       taxed at a rate below 39.6 percent” and inserting  
 2       “below the maximum 15-percent rate amount”, and  
 3       (3) by adding at the end the following new  
 4       paragraphs:

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

8               “(A) in the case of a joint return or sur-  
 9       viving spouse (as defined in section 2(a)),  
 10       \$479,000 (½ such amount in the case of a  
 11       married individual filing a separate return),

12              “(B) in the case of an individual who is a  
 13       head of household (as defined in section 2(b)),  
 14       \$452,400,

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

17              “(D) in the case of an estate or trust,  
 18       \$12,700.

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

24       “(14) INFLATION ADJUSTMENT.—

1           “(A) IN GENERAL.—Each of the dollar  
2           amounts in paragraphs (12) and (13) shall be  
3           increased by an amount equal to—

4                   “(i) such dollar amount, multiplied by

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

11          “(B) ROUNDING.—If any increase under  
12          subparagraph (A) is not a multiple of \$50, such  
13          increase shall be rounded to the next lowest  
14          multiple of \$50.”.

15          (h) CONFORMING AMENDMENTS.—

16               (1) Section 1 is amended by striking sub-  
17          sections (i) and (j).

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

20          (i) APPLICATION OF SECTION 15.—

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

25          (2) CONFORMING AMENDMENTS.—



1 (A) Section 15 is amended by striking sub-  
2 sections (d) and (f).

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

6 (C) The heading of section 15 is amended  
7 by inserting “**ON CORPORATIONS**” after “**EF-**  
8 **FECT OF CHANGES**”.

9 (D) The table of sections for part III of  
10 subchapter A of chapter 1 is amended by strik-  
11 ing the item relating to section 15 and inserting  
12 the following new item:

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

13 (j) EFFECTIVE DATE.—

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

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

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

22 (B) any amendment made by this Act.

1 **Subtitle B—Deduction for Quali-**  
2 **fied Business Income of Pass-**  
3 **Thru Entities**

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

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

7 (b) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to taxable years beginning after  
9 the date of the enactment of this Act.

10 **SEC. 112. LIMITATION ON LOSSES FOR TAXPAYERS OTHER**  
11 **THAN CORPORATIONS.**

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

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

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

19 (2) by striking subsection (j) and redesignating  
20 subsections (k) and (l) (as amended) as subsections  
21 (j) and (k), respectively.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 58(a)(2)(A) is amended by striking  
24 “461(k)” and inserting “461(j)”.

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

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

6           (4) Subparagraphs (B) and (C) of section  
7           1256(e)(3) are each amended by striking “section  
8           461(k)(4)” and inserting “section 461(j)(4)”.

9           (5) Section 1258(d)(5)(C) is amended by strik-  
10          ing “section 461(k)(4)” and inserting “section  
11          461(j)(4)”.

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

## 15                   **Subtitle C—Tax Benefits for** 16                   **Families and Individuals**

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

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

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

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

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

25               “(4) ADJUSTMENTS FOR INFLATION.—

1           “(A) IN GENERAL.—Each dollar amount in  
 2           paragraph (2)(B), (2)(C), or (5) or subsection  
 3           (f) shall be increased by an amount equal to—

4                   “(i) such dollar amount, multiplied by

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

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

13                   “(II) in the case of the dollar  
 14           amounts contained in paragraph  
 15           (5)(A) or subsection (f), ‘1987’, and

16                   “(III) in the case of the dollar  
 17           amount contained in paragraph  
 18           (5)(B), ‘1997’.

19           “(B) ROUNDING.—If any increase under  
 20           subparagraph (A) is not a multiple of \$50, such  
 21           increase shall be rounded to the next lowest  
 22           multiple of \$50.”.

23           (c) CONFORMING AMENDMENT.—Section 63(c) is  
 24           amended by striking paragraph (7).

1 (d) 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. 122. INCREASE IN AND MODIFICATION OF CHILD TAX**  
 5 **CREDIT.**

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

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

12 “(1) \$2,000 for each qualifying child of the tax-  
 13 payer, and

14 “(2) \$500 for each qualifying dependent (other  
 15 than a qualifying child) of the taxpayer.

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

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

3               “(1) QUALIFYING CHILD.—The term ‘qualifying  
4 child’ means any qualifying dependent of the tax-  
5 payer—

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

8                       “(B) who has not attained age 17 at the  
9 close of the calendar year in which the taxable  
10 year of the taxpayer begins, and

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

14               “(2) QUALIFYING DEPENDENT.—The term  
15 ‘qualifying dependent’ means any dependent of the  
16 taxpayer (as defined in section 7706 without regard  
17 to all that follows ‘resident of the United States’ in  
18 section 7706(b)(3)(A)) whose name and TIN are in-  
19 cluded on the taxpayer’s return of tax for the tax-  
20 able year.

21               “(3) SOCIAL SECURITY NUMBER DEFINED.—  
22 For purposes of this subsection, the term ‘social se-  
23 curity number’ means, with respect to a return of  
24 tax, a social security number issued to an individual

1 by the Social Security Administration, but only if  
 2 the social security number is issued—

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

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

10 (b) PORTION OF CREDIT REFUNDABLE.—

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

13 “(A) the credit which would be allowed  
 14 under this section determined—

15 “(i) by substituting ‘\$1,400’ for  
 16 ‘\$2,000’ in subsection (a)(1),

17 “(ii) without regard to subsection  
 18 (a)(2), and

19 “(iii) without regard to this subsection  
 20 (other than this subparagraph) and the  
 21 limitation under section 26(a), or”.

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

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

4           “(4) ADJUSTMENT FOR INFLATION.—

5               “(A) IN GENERAL.—The \$1,400 amount in  
6       paragraph (1)(A)(i) shall be increased by an  
7       amount equal to—

8               “(i) such dollar amount, multiplied by

9               “(ii) the cost-of-living adjustment de-  
10      termined under section 1(f)(3) for the cal-  
11      endar year in which the taxable year be-  
12      gins, determined by substituting ‘2017’ for  
13      ‘2016’ in subparagraph (A)(ii) thereof.

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

18           “(C) LIMITATION.—The amount of any in-  
19      crease under subparagraph (A) (after the appli-  
20      cation of subparagraph (B)) shall not exceed  
21      \$600.”.

22           (4) CONFORMING AMENDMENTS.—

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



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

5               (B) Section 24 is amended by striking sub-  
 6 section (h).

7       (c) REPEAL OF CERTAIN LATER ENACTED PROVI-  
 8 SIONS.—

9               (1) Section 24 is amended by striking sub-  
 10 sections (i), (j), and (k).

11              (2) Chapter 77 is amended by striking section  
 12 7527A (and by striking the item relating to section  
 13 7527A in the table of sections for such chapter).

14              (3) Section 26(b)(2) is amended by inserting  
 15 “and” at the end of subparagraph (X), by striking  
 16 “, and” at the end of subparagraph (Y) and insert-  
 17 ing a period, and by striking subparagraph (Z).

18              (4) Section 3402(f)(1)(C) is amended by strik-  
 19 ing “section 24 (determined after application of sub-  
 20 section (j) thereof)” and inserting “section 24(a)”.

21              (5) Section 6211(b)(4)(A) is amended—

22                   (A) by striking “24 by reason of sub-  
 23 sections (d) and (i)(1) thereof” and inserting  
 24 “24(d)”, and

1 (B) by striking “6428B, and 7527A” and  
 2 inserting “and 6428B”.

3 (6) Paragraph (2) of section 1324(b) of title  
 4 31, United States Code, is amended by striking  
 5 “6431, or 7527A” and inserting “or 6431”.

6 (d) EFFECTIVE DATE.—The amendments made by  
 7 this section shall apply to taxable years beginning after  
 8 the date of the enactment of this Act.

9 **SEC. 123. INCREASED LIMITATION FOR CERTAIN CHARIT-**  
 10 **TABLE CONTRIBUTIONS.**

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

13 “(G) CASH CONTRIBUTIONS.—

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

23 “(ii) CARRYOVER.—If the aggregate  
 24 amount of contributions described in clause  
 25 (i) exceeds the limitation of clause (i), such

1 excess shall be treated (in a manner con-  
 2 sistent with the rules of subsection (d)(1))  
 3 as a charitable contribution to which clause  
 4 (i) applies in each of the 5 succeeding  
 5 years in order of time.”.

6 (b) COORDINATION WITH LIMITATIONS ON OTHER  
 7 CONTRIBUTIONS.—

8 (1) COORDINATION WITH 50 PERCENT LIMITA-  
 9 TION.—Section 170(b)(1)(A) is amended by striking  
 10 “Any charitable contribution” and inserting “Any  
 11 charitable contribution other than a contribution de-  
 12 scribed in subparagraph (G)”.

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

15 (A) in the matter preceding clause (i), by  
 16 striking “to which subparagraph (A) applies”  
 17 and inserting “to which subparagraph (A) or  
 18 (G) applies”,

19 (B) by amending clause (ii) to read as fol-  
 20 lows:

21 “(ii) the excess of—

22 “(I) the sum of 50 percent of the  
 23 taxpayer’s contribution base for the  
 24 taxable year, plus so much of the  
 25 amount of charitable contributions al-

1           lowable under subparagraph (G) as  
 2           does not exceed 10 percent of such  
 3           contribution base, over

4                   “(II) the amount of charitable  
 5           contributions allowable under sub-  
 6           paragraphs (A) and (G) (determined  
 7           without regard to subparagraph  
 8           (C)).”, and

9           (C) in the matter following clause (ii), by  
 10          striking “(to which subparagraph (A) does not  
 11          apply)” and inserting “(to which neither sub-  
 12          paragraph (A) nor (G) applies)”.

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

17       **SEC. 124. INCREASED CONTRIBUTIONS TO ABLE AC-**  
 18                               **COUNTS.**

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

23          (b) ALLOWANCE OF SAVER’S CREDIT FOR ABLE  
 24          CONTRIBUTIONS BY ACCOUNT HOLDER.—Section

1 25B(d)(1)(D) is amended by striking “made before Janu-  
2 ary 1, 2026,”.

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

6 **SEC. 125. ROLLOVERS TO ABLE PROGRAMS FROM 529 PRO-**  
7 **GRAMS.**

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

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to distributions after the date of  
12 the enactment of this Act.

13 **SEC. 126. TREATMENT OF CERTAIN INDIVIDUALS PER-**  
14 **FORMING SERVICES IN THE SINAI PENIN-**  
15 **SULA OF EGYPT.**

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

17 (1) by striking “means any area” and inserting  
18 “means—

19 “(A) any area”, and

20 (2) by striking the period at the end and insert-  
21 ing “, and

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

23 (b) PERIOD OF TREATMENT.—Section 112(c)(3) is  
24 amended—

1 (1) by striking “only if performed” and insert-  
 2 ing “only if—

3 “(A) in the case of an area described in  
 4 paragraph (2)(A), such service is performed”,  
 5 and

6 (2) by striking the period at the end and insert-  
 7 ing “, and

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

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

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

## 22 **Subtitle D—Education**

### 23 **SEC. 131. TREATMENT OF STUDENT LOAN DISCHARGES.**

24 (a) SUNSET OF SPECIAL RULE FOR DISCHARGES OF  
 25 CERTAIN LOANS.—Section 108(f)(5) is amended—

1 (1) in the heading, by striking “2025” and in-  
2 serting “2024”, and

3 (2) by striking “January 1, 2026” and insert-  
4 ing “January 1, 2025”.

5 (b) REINSTATEMENT OF RULE FOR DISCHARGES ON  
6 ACCOUNT OF DEATH OR DISABILITY AFTER 2024.—Sec-  
7 tion 108(f) is amended by adding at the end the following  
8 new paragraph:

9 “(6) DISCHARGES ON ACCOUNT OF DEATH OR  
10 DISABILITY AFTER 2024.—

11 “(A) IN GENERAL.—In the case of an indi-  
12 vidual, gross income does not include any  
13 amount which (but for this subsection) would  
14 be includible in gross income for such taxable  
15 year by reasons of the discharge (in whole or in  
16 part) of any loan described in subparagraph  
17 (B) after December 31, 2024, if such discharge  
18 was—

19 “(i) pursuant to subsection (a) or (d)  
20 of section 437 of the Higher Education  
21 Act of 1965 or the parallel benefit under  
22 part D of title IV of such Act (relating to  
23 the repayment of loan liability),

24 “(ii) pursuant to section 464(c)(1)(F)  
25 of such Act, or

1 “(iii) otherwise discharged on account  
 2 of the death or total and permanent dis-  
 3 ability of the student.

4 “(B) LOANS DESCRIBED.—A loan is de-  
 5 scribed in this subparagraph if such loan is—

6 “(i) a student loan (as defined in  
 7 paragraph (2)), or

8 “(ii) a private education loan (as de-  
 9 fined in section 140(7) of the Consumer  
 10 Credit Protection Act (15 U.S.C.  
 11 1650(7))).”.

12 (c) EFFECTIVE DATE.—The amendments made by  
 13 this section shall apply to discharges of indebtedness after  
 14 December 31, 2024.

15 **SEC. 132. 529 ACCOUNT FUNDING FOR HOMESCHOOL AND**  
 16 **ADDITIONAL ELEMENTARY AND SECONDARY**  
 17 **EXPENSES.**

18 (a) IN GENERAL.—Section 529(c)(7) of the Internal  
 19 Revenue Code of 1986 is amended to read as follows:

20 “(7) TREATMENT OF ELEMENTARY AND SEC-  
 21 ONDARY TUITION.—Any reference in this section to  
 22 the term ‘qualified higher education expense’ shall  
 23 include a reference to the following expenses in con-  
 24 nection with enrollment or attendance at, or for stu-



1       dents enrolled at or attending, an elementary or sec-  
2       ondary public, private, or religious school:

3               “(A) Tuition.

4               “(B) Curriculum and curricular materials.

5               “(C) Books or other instructional mate-  
6       rials.

7               “(D) Online educational materials.

8               “(E) Tuition for tutoring or educational  
9       classes outside of the home, including at a tu-  
10      toring facility, but only if the tutor or instruc-  
11      tor is not related to the student and—

12               “(i) is licensed as a teacher in any  
13      State,

14               “(ii) has taught at an eligible edu-  
15      cational institution, or

16               “(iii) is a subject matter expert in the  
17      relevant subject.

18               “(F) Fees for a nationally standardized  
19      norm-referenced achievement test, an advanced  
20      placement examination, or any examinations re-  
21      lated to college or university admission.

22               “(G) Fees for dual enrollment in an insti-  
23      tution of higher education.

24               “(H) Educational therapies for students  
25      with disabilities provided by a licensed or ac-

1 credited practitioner or provider, including oc-  
 2 cupational, behavioral, physical, and speech-lan-  
 3 guage therapies.

4 Such term shall include expenses for the purposes  
 5 described in subparagraphs (A) through (H) in con-  
 6 nection with a homeschool (whether treated as a  
 7 homeschool or a private school for purposes of appli-  
 8 cable State law).”.

9 (b) EFFECTIVE DATE.—The amendment made by  
 10 this section shall apply to distributions made after the  
 11 date of the enactment of this Act.

## 12 **Subtitle E—Deductions and** 13 **Exclusions**

### 14 **SEC. 141. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-** 15 **TIONS.**

16 (a) IN GENERAL.—Part V of subchapter B of chapter  
 17 1 is hereby repealed.

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

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

24 (1) in paragraph (2)(C)—

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

6 (B) by striking clause (iii),

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

8 (3) by striking “DEDUCTION FOR PERSONAL  
 9 EXEMPTION” in the heading thereof and inserting  
 10 “BASIC DEDUCTION”.

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

13 (e) MODIFICATION OF RETURN REQUIREMENT.—

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

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

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

1 “(B) an individual entitled to make a joint  
2 return if—

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

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

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

19 (2) BANKRUPTCY ESTATES.—Section  
20 6012(a)(8) is amended by striking “the sum of the  
21 exemption amount plus the basic standard deduction  
22 under section 63(c)(2)(C)” and inserting “the stand-  
23 ard deduction in effect under section 63(c)(1)(B)”.

24 (3) CONFORMING AMENDMENT.—Section 6012  
25 is amended by striking subsection (f).

1 (f) CONFORMING AMENDMENTS.—

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

4 (2) Section 2(a)(1)(B) is amended—

5 (A) by striking “section 152” and insert-  
6 ing “section 7706”, and

7 (B) by striking “with respect to whom the  
8 taxpayer is entitled to a deduction for the tax-  
9 able year under section 151” and inserting  
10 “whose TIN is included on the taxpayer’s re-  
11 turn of tax for the taxable year”.

12 (3) Section 2(b)(1)(A)(i) is amended—

13 (A) in the matter preceding subclause  
14 (I)—

15 (i) by striking “section 152(c)” and  
16 inserting “section 7706(c)”, and

17 (ii) by striking “section 152(e)” and  
18 inserting “section 7706(e)”, and

19 (B) in subclause (II), by striking “section  
20 152(b)(2) or 152(b)(3)” and inserting “section  
21 7706(b)(2) or 7706(b)(3)”.

22 (4) Section 2(b)(1)(A)(ii) is amended by strik-  
23 ing “if the taxpayer is entitled to a deduction for the  
24 taxable year for such person under section 151” and

1 inserting “if the taxpayer included such person’s  
2 TIN on the return of tax for the taxable year”.

3 (5) Section 2(b)(1)(B) is amended by striking  
4 “if the taxpayer is entitled to a deduction for the  
5 taxable year for such father or mother under section  
6 151” and inserting “if such father or mother is a  
7 dependent of the taxpayer and the taxpayer included  
8 such father or mother’s TIN on the return of tax for  
9 the taxable year”.

10 (6) Section 2(b)(3)(B) is amended—

11 (A) by striking “section 152(d)(2)” in  
12 clause (i) and inserting “section 7706(d)(2)”,  
13 and

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

16 (7) Section 21(b)(1)(A) is amended by striking  
17 “section 152(a)(1)” and inserting “section  
18 7706(a)(1)”.

19 (8) Section 21(b)(1)(B) is amended by striking  
20 “section 152” and inserting “section 7706”.

21 (9) Section 21(e)(5)(A) is amended by striking  
22 “section 152(e)” and inserting “section 7706(e)”.

23 (10) Section 21(e)(5) is amended by striking  
24 “section 152(e)(4)(A)” in the matter following sub-

1 paragraph (B) and inserting “section  
2 7706(e)(4)(A)”.

3 (11) Section 21(e)(6)(A) is amended to read as  
4 follows:

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

8 (12) Section 21(e)(6)(B) is amended by striking  
9 “section 152(f)(1)” and inserting “section  
10 7706(f)(1)”.

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

14 (14) Section 25A(g)(3) is amended by striking  
15 “If a deduction under section 151 with respect to an  
16 individual is allowed to another taxpayer” and in-  
17 serting “If an individual is a dependent of another  
18 taxpayer”.

19 (15) Section 25B(c)(2)(A) is amended by strik-  
20 ing “any individual with respect to whom a deduc-  
21 tion under section 151 is allowed to another tax-  
22 payer” and inserting “any individual who is a de-  
23 pendent of another taxpayer”.

1           (16) Section 25B(c)(2)(B) is amended by strik-  
 2           ing “section 152(f)(2)” and inserting “section  
 3           7706(f)(2)”.

4           (17) Section 32(c)(1)(A)(ii)(III) is amended by  
 5           striking “a dependent for whom a deduction is al-  
 6           lowable under section 151 to another taxpayer” and  
 7           inserting “a dependent of another taxpayer”.

8           (18) Section 32(c)(3) is amended—

9                   (A) in subparagraph (A)—

10                           (i) by striking “section 152(c)” and  
 11                           inserting “section 7706(c)”, and

12                           (ii) by striking “section 152(e)” and  
 13                           inserting “section 7706(e)”,

14                   (B) in subparagraph (B), by striking “un-  
 15                   less the taxpayer is entitled to a deduction  
 16                   under section 151 for such taxable year with re-  
 17                   spect to such individual (or would be so entitled  
 18                   but for section 152(e)” and inserting “if such  
 19                   individual is not treated as a dependent of such  
 20                   taxpayer for such taxable year by reason of sec-  
 21                   tion 7706(b)(2) (determined without regard to  
 22                   section 7706(e))”, and

23                   (C) in subparagraph (C), by striking “sec-  
 24                   tion 152(c)(1)(B)” and inserting “section  
 25                   7706(c)(1)(B)”.



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

6           (20) Section 35(d)(2) is amended—

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

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

11           (21) Section 36B(b)(2)(A) is amended by strik-  
12           ing “section 152” and inserting “section 7706”.

13           (22) Section 36B(b)(3)(B) is amended—

14                   (A) in clause (ii)(I)(aa), by striking “who  
15                   is not allowed a deduction under section 151 for  
16                   the taxable year with respect to a dependent”  
17                   and inserting “who does not have any depend-  
18                   ents for the taxable year”, and

19                   (B) in the flush matter at the end, by  
20                   striking “unless a deduction is allowed under  
21                   section 151 for the taxable year with respect to  
22                   a dependent” and inserting “unless the tax-  
23                   payer has a dependent for the taxable year (and  
24                   the taxpayer included such dependent’s TIN on  
25                   the return of tax for the taxable year)”.

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

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

13          (25) Section 36B(e)(1) is amended by striking  
14          “1 or more individuals for whom a taxpayer is al-  
15          lowed a deduction under section 151 (relating to al-  
16          lowance of deduction for personal exemptions) for  
17          the taxable year (including the taxpayer or his  
18          spouse)” and inserting “1 or more of the taxpayer,  
19          the taxpayer’s spouse, or any dependent of the tax-  
20          payer”.

21          (26) Section 42(i)(3)(D)(ii)(I) is amended by  
22          striking “section 152” and inserting “section 7706”.

23          (27) Section 45R(e)(1)(A)(iv) is amended—

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

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

3 (28) Section 51(i)(1) is amended—

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

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

10 (29) Section 56(b)(1)(D) is amended—

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

13 (B) by striking “AND DEDUCTION FOR  
14 PERSONAL EXEMPTIONS” in the heading there-  
15 of.

16 (30) Section 63(b) is amended by adding “and”  
17 at the end of paragraph (1), by striking paragraph  
18 (2), and by redesignating paragraph (3) as para-  
19 graph (2).

20 (31) Section 63(c), as amended by section 121,  
21 is amended by striking paragraph (3) and redesign-  
22 ating paragraphs (4), (5), and (6) as paragraphs  
23 (3), (4), and (5), respectively.

24 (32) Section 63(c)(4), as redesignated, is  
25 amended—

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

4 (B) by striking “CERTAIN” in the heading  
 5 thereof.

6 (33) Section 63(f) is amended by striking all  
 7 that precedes paragraph (3) and inserting the fol-  
 8 lowing:

9 “(f) ADDITIONAL STANDARD DEDUCTION FOR THE  
 10 AGED AND BLIND.—

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

14 “(A) \$600 if the taxpayer has attained age  
 15 65 before the close of such taxable year, and

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

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

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

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

1 “(i) the spouse of such individual has  
 2 no gross income for the calendar year in  
 3 which the taxable year of such individual  
 4 begins,

5 “(ii) such spouse is not the dependent  
 6 of another taxpayer for a taxable year be-  
 7 ginning in the calendar year in which such  
 8 individual’s taxable year begins, and

9 “(iii) the TIN of such spouse is in-  
 10 cluded on such individual’s return of tax  
 11 for the taxable year,

12 the additional standard deduction shall be de-  
 13 termined in the same manner as if such indi-  
 14 vidual and such individual’s spouse filed a joint  
 15 return.”.

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

19 (35) Section 72(t)(2)(D)(i)(III) is amended by  
 20 striking “section 152” and inserting “section 7706”.

21 (36) Section 72(t)(7)(A)(iii) is amended by  
 22 striking “section 152(f)(1)” and inserting “section  
 23 7706(f)(1)”.

24 (37) Section 105(b) is amended—

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

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

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

7 (38) Section 105(c)(1) is amended by striking  
8 “section 152” and inserting “section 7706”.

9 (39) Section 125(e)(1)(D) is amended by strik-  
10 ing “section 152” and inserting “section 7706”.

11 (40) Section 129(c)(1) is amended to read as  
12 follows:

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

15 (41) Section 129(c)(2) is amended by striking  
16 “section 152(f)(1)” and inserting “section  
17 7706(f)(1)”.

18 (42) Section 132(h)(2)(B) is amended—

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

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

23 (43) Section 139D(c)(5) is amended by striking  
24 “section 152” and inserting “section 7706”.

1           (44) Section 139E(c)(2) is amended by striking  
2           “section 152” and inserting “section 7706”.

3           (45) Section 162(l)(1)(D) is amended by strik-  
4           ing “section 152(f)(1)” and inserting “section  
5           7706(f)(1)”.

6           (46) Section 170(g)(1) is amended by striking  
7           “section 152” and inserting “section 7706”.

8           (47) Section 170(g)(3) is amended by striking  
9           “section 152(d)(2)” and inserting “section  
10          7706(d)(2)”.

11          (48) Section 172(d) is amended by striking  
12          paragraph (3).

13          (49) Section 213(a) is amended by striking  
14          “section 152” and inserting “section 7706”.

15          (50) Section 213(d)(5) is amended by striking  
16          “section 152(e)” and inserting “section 7706(e)”.

17          (51) Section 213(d)(11) is amended by striking  
18          “section 152(d)(2)” in the matter following subpara-  
19          graph (B) and inserting “section 7706(d)(2)”.

20          (52) Section 220(b)(6) is amended by striking  
21          “with respect to whom a deduction under section  
22          151 is allowable to” and inserting “who is a depend-  
23          ent of”.

24          (53) Section 220(d)(2)(A) is amended by strik-  
25          ing “section 152” and inserting “section 7706”.

1           (54) Section 221(d)(4) is amended by striking  
2           “section 152” and inserting “section 7706”.

3           (55) Section 223(b)(6) is amended by striking  
4           “with respect to whom a deduction under section  
5           151 is allowable to” and inserting “who is a depend-  
6           ent of”.

7           (56) Section 223(d)(2)(A) is amended by strik-  
8           ing “section 152” and inserting “section 7706”.

9           (57) Section 401(h) is amended by striking  
10          “section 152(f)(1)” in the last sentence and insert-  
11          ing “section 7706(f)(1)”.

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

14          (59) Section 409A(a)(2)(B)(ii)(I) is amended  
15          by striking “section 152(a)” and inserting “section  
16          7706(a)”.

17          (60) Section 441(f)(2)(B)(iii) is amended by  
18          striking “, but only the adjusted amount of the de-  
19          ductions for personal exemptions as described in sec-  
20          tion 443(c)”.

21          (61) Section 443 is amended—

22                  (A) in subsection (b)—

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



1 (ii) by striking “modified taxable in-  
2 come” and inserting “taxable income” each  
3 place such term appears,

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

5 (C) by redesignating subsections (d) and  
6 (e) as subsections (c) and (d), respectively.

7 (62) Section 501(c)(9) is amended by striking  
8 “section 152(f)(1)” and inserting “section  
9 7706(f)(1)”.

10 (63) Section 529(e)(2)(B) is amended by strik-  
11 ing “section 152(d)(2)” and inserting “section  
12 7706(d)(2)”.

13 (64) Section 529A(e)(4) is amended—

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

16 (B) by striking “section 152(f)(1)(B)” and  
17 inserting “section 7706(f)(1)(B)”.

18 (65) Section 643(a)(2) is amended—

19 (A) by striking “(relating to deduction for  
20 personal exemptions)” and inserting “(relating  
21 to basic deduction)”, and

22 (B) by striking “DEDUCTION FOR PER-  
23 SONAL EXEMPTION” in the heading thereof and  
24 inserting “BASIC DEDUCTION”.

1           (66) Section 703(a)(2) is amended by striking  
2           subparagraph (A) and by redesignating subpara-  
3           graphs (B) through (F) as subparagraphs (A)  
4           through (E), respectively.

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

8           (68) Section 891 is amended by striking “under  
9           section 151 and”.

10          (69) Section 904(b)(1) is amended to read as  
11          follows:

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

16          (70) Section 931(b)(1) is amended to read as  
17          follows:

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

19          (71) Section 933 is amended—

20               (A) by striking “as a deduction from his  
21          gross income any deductions (other than the de-  
22          duction under section 151, relating to personal  
23          exemptions)” in paragraph (1) and inserting  
24          “any deduction from gross income”, and

1 (B) by striking “as a deduction from his  
2 gross income any deductions (other than the de-  
3 duction for personal exemptions under section  
4 151)” in paragraph (2) and inserting “any de-  
5 duction from gross income”.

6 (72) Section 1212(b)(2)(B)(ii) is amended to  
7 read as follows:

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

11 (73) Section 1361(c)(1)(C) is amended by strik-  
12 ing “section 152(f)(1)(C)” and inserting “section  
13 7706(f)(1)(C)”.

14 (74) Section 1402(a) is amended by striking  
15 paragraph (7).

16 (75) Section 2032A(c)(7)(D) is amended by  
17 striking “section 152(f)(2)” and inserting “section  
18 7706(f)(2)”.

19 (76) Section 3402(f)(1)(A) is amended by strik-  
20 ing “for whom a deduction is allowable with respect  
21 to another taxpayer under section 151” and insert-  
22 ing “who is a dependent of another taxpayer”.

23 (77) Section 3402(m)(1) is amended by striking  
24 “other than the deductions referred to in section  
25 151 and”.

1           (78) Section 3402(m)(3) is amended by striking  
2           “section 63(c)(3)” and inserting “section 63(f)”.

3           (79) Section 3402(r)(2) is amended by striking  
4           “the sum of—” and all that follows and inserting  
5           “the basic standard deduction (as defined in section  
6           63(c)) for an individual to whom section 63(c)(2)(C)  
7           applies.”.

8           (80) Section 5000A(b)(3)(A) is amended by  
9           striking “section 152” and inserting “section 7706”.

10          (81) Section 5000A(c)(4)(A) is amended by  
11          striking “the number of individuals for whom the  
12          taxpayer is allowed a deduction under section 151  
13          (relating to allowance of deduction for personal ex-  
14          emptions) for the taxable year” and inserting “the  
15          sum of 1 (2 in the case of a joint return) plus the  
16          number of the taxpayer’s dependents for the taxable  
17          year”.

18          (82) Section 6013(b)(3)(A) is amended—

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

22                 (B) by striking “had gross income of the  
23                 exemption amount or more” in clause (iii) and  
24                 inserting “had any gross income”, and

1 (C) by striking the flush language fol-  
2 lowing clause (iii).

3 (83) Section 6014(a) is amended by striking  
4 “section 6012(a)(1)(C)(i)” and inserting “section  
5 6012(a)(1)(B)(iii)”.

6 (84) Section 6014(b)(4) is amended by striking  
7 “63(c)(5)” and inserting “63(c)(4)”.

8 (85) Section 6103(l)(13) is amended—

9 (A) in subparagraph (A), by striking  
10 clause (iv) and redesignating clauses (v) and  
11 (vi) as clauses (iv) and (v), respectively, and

12 (B) in subparagraph (C)(i), by striking  
13 “clauses (i) through (iv)” and inserting  
14 “clauses (i) through (iii)”.

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

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

19 (87) Section 6213(g)(2)(H) is amended by  
20 striking “section 21 (relating to expenses for house-  
21 hold and dependent care services necessary for gain-  
22 ful employment) or section 151 (relating to allow-  
23 ance of deductions for personal exemptions)” and in-  
24 serting “subsection (a)(1)(B), (b)(1)(A)(ii), or

1 (b)(1)(B) of section 2 or section 21, 35(d)(1)(B),  
 2 36B(b)(3)(B), or 63(f)(2)(B)”.

3 (88) Section 6334(d) is amended—

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

6 “(2) EXEMPT AMOUNT.—

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

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

13 “(ii) 52.

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

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

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

22 “(C) VERIFIED STATEMENT.—Unless the  
 23 taxpayer submits to the Secretary a written and  
 24 properly verified statement specifying the facts  
 25 necessary to determine the proper amount

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

5           (B) by striking paragraph (4).

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

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

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

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

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

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

1           “(6) INFLATION ADJUSTMENT.—The \$4,150  
2           amount in paragraph (1)(B) shall be increased by an  
3           amount equal to—

4                   “(A) such dollar amount, multiplied by

5                   “(B) the cost-of-living adjustment deter-  
6           mined under section 1(f)(3) for the calendar  
7           year in which such taxable year begins, deter-  
8           mined by substituting ‘calendar year 2017’ for  
9           ‘calendar year 2016’ in subparagraph (A)(ii)  
10          thereof.

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

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

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

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



1           (97) The table of sections for chapter 79 is  
 2           amended by adding at the end the following new  
 3           item:

“Sec. 7706. Dependent defined.”.

4           (g) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to taxable years beginning after  
 6 the date of the enactment of this Act.

7 **SEC. 142. LIMITATION ON DEDUCTION FOR STATE AND**  
 8 **LOCAL, ETC., TAXES.**

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

12           “(6) LIMITATION ON INDIVIDUAL DEDUC-  
 13 TIONS.—In the case of an individual—

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

17           “(B) the aggregate amount of the deduc-  
 18 tion allowed under this chapter for taxes de-  
 19 scribed in paragraphs (1), (2), and (3) of sub-  
 20 section (a) and paragraph (5) of this subsection  
 21 (and any tax described in any such paragraph  
 22 taken into account under section 216(a)(1))  
 23 paid or accrued by the taxpayer during the tax-  
 24 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 the date of the enactment of this Act.

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) \$750,000 (\$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 “applied by substituting  
 10 ‘\$750,000 (\$375,000’ for ‘\$1,000,000 (\$500,000’ in  
 11 clause (ii) thereof and”.

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

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

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

19 (a) IN GENERAL.—Section 165(h)(5)(A) is amended  
 20 by striking “in a taxable year beginning after December  
 21 31, 2017, and before January 1, 2026,”.

22 (b) CONFORMING AMENDMENTS.—

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

1           (2) Section 165(h)(5) is amended by striking  
 2           “FOR TAXABLE YEARS 2018 THROUGH 2025” in the  
 3           heading thereof and inserting “TO LOSSES ATTRIB-  
 4           UTABLE TO FEDERALLY DECLARED DISASTERS”.

5           (c) EFFECTIVE DATE.—The amendments made by  
 6           this section shall apply to losses sustained in taxable years  
 7           beginning after the date of the enactment of this Act.

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

10          (a) IN GENERAL.—Section 67 is amended—

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

13               “(a) IN GENERAL.—In the case of an individual, mis-  
 14               cellaneous itemized deductions shall not be allowed.”, and

15               (2) by striking subsection (g).

16          (b) MOVEMENT OF DEFINITION OF ADJUSTED  
 17          GROSS INCOME FOR ESTATES AND TRUSTS.—

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

20               (2) Section 641 is amended by adding at the  
 21               end the following new subsection:

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 the date of the enactment of this Act.

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

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

6           (3) Section 164(b)(5)(H) is amended by adding  
 7           at the end the following new clause:

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

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

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

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

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

23           For purposes of this paragraph, marital  
 24           status shall be determined under section  
 25           7703. In the case of any taxable year be-

1           ginning in calendar years after the date of  
 2           the enactment of this clause, each of the  
 3           dollar amounts in this clause shall be in-  
 4           creased by an amount equal to such dollar  
 5           amount, multiplied by the cost-of-living ad-  
 6           justment determined under section 1(f)(3)  
 7           for the calendar year in which the taxable  
 8           year begins, determined by substituting  
 9           ‘2012’ for ‘2016’ in subparagraph (A)(ii)  
 10          thereof. If any amount after adjustment  
 11          under the preceding sentence is not a mul-  
 12          tiple of \$50, such amount shall be rounded  
 13          to the next lowest multiple of \$50.”.

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

17      **SEC. 147. TERMINATION OF EXCLUSION FOR QUALIFIED BI-**  
 18                              **CYCLE COMMUTING REIMBURSEMENT.**

19          (a) IN GENERAL.—Section 132(f)(1) is amended by  
 20          striking subparagraph (D).

21          (b) CONFORMING AMENDMENTS.—

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

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

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

6           (4) Section 274(l)(2) is amended by striking  
7           “after December 31, 2017, and before January 1,  
8           2026”.

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

12   **SEC. 148. QUALIFIED MOVING EXPENSE REIMBURSEMENT**  
13                   **EXCLUSION LIMITED TO MEMBERS OF**  
14                   **ARMED FORCES.**

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

16               (1) by striking “by an individual” in paragraph  
17               (1) and inserting “by a qualified military indi-  
18               vidual”, and

19               (2) by striking paragraph (2) and inserting the  
20               following new paragraph:

21               “(2) QUALIFIED MILITARY INDIVIDUAL.—For  
22               purposes of this subsection, the term ‘qualified mili-  
23               tary individual’ means a member of the Armed  
24               Forces of the United States on active duty who

1 moves pursuant to a military order and incident to  
2 a permanent change of station.”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 the date of the enactment of this Act.

6 **SEC. 149. DEDUCTION FOR MOVING EXPENSES LIMITED TO**  
7 **MEMBERS OF ARMED FORCES.**

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

9 (1) by amending subsection (a) to read as fol-  
10 lows:

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

17 (2) by striking subsections (c), (d), (f), (g), and  
18 (k) and redesignating subsections (h), (i), and (j) as  
19 subsections (c), (d), and (f), respectively, and

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

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

1 “(1) to a member described in subsection (a),  
 2 or to such member’s spouse or dependents, shall not  
 3 be includible in gross income, and no reporting with  
 4 respect to such expenses shall be required by the  
 5 Secretary of Defense or the Secretary of Transpor-  
 6 tation, as the case may be, and

7 “(2) to the spouse and dependents of a member  
 8 described in subsection (a) with regard to moving to  
 9 a location other than the one to which such member  
 10 moves (or from a location other than the one from  
 11 which such member moves), this section shall apply  
 12 with respect to the moving expenses of such spouse  
 13 and dependents as if such spouse were a member de-  
 14 scribed in subsection (a).”.

15 (b) CONFORMING AMENDMENTS.—

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

19 (2) Section 7872(f) is amended by striking  
 20 paragraph (11).

21 (3) Section 217 is amended in the heading by  
 22 striking “**MOVING EXPENSES**” and inserting  
 23 “**CERTAIN MOVING EXPENSES OF MEMBERS OF**  
 24 **ARMED FORCES**”.

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

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

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

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

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

12          (b) EFFECTIVE DATE.—The amendment made by  
 13          this section shall apply to taxable years beginning after  
 14          the date of the enactment of this Act.

15   **Subtitle F—Increase in Estate and**  
 16                   **Gift Tax Exemption**

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

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

21          (b) CONFORMING AMENDMENT.—Section 2010(c)(3)  
 22          is amended by striking subparagraph (C).

23          (c) EFFECTIVE DATE.—The amendments made by  
 24          this section shall apply to estates of decedents dying and  
 25          gifts made after the date of the enactment of this Act.

1 **TITLE II—INCREASED EXEMP-**  
2 **TION FOR ALTERNATIVE MIN-**  
3 **IMUM TAX MADE PERMANENT**

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

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

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

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

10 (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section  
11 55(d)(2) is amended—

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

14 (2) by striking subparagraphs (B) and (C) and  
15 by inserting the following new subparagraphs:

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

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

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

24 “(3) INFLATION ADJUSTMENT.—Each dollar  
25 amount described in clause (i) or (ii) of subpara-



1 graph (B) shall be increased by an amount equal  
 2 to—

3 “(A) such dollar amount, multiplied by

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

8 “(i) in the case of a dollar amount  
 9 contained in paragraph (1)(D) or (2)(C) or  
 10 in subsection (b)(1)(A), ‘calendar year  
 11 2011’ for ‘calendar year 2016’ in subpara-  
 12 graph (A)(ii) thereof, and

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

17 Any increased amount determined under this para-  
 18 graph shall be rounded to the nearest multiple of  
 19 \$100 (\$50 in the case of the dollar amount con-  
 20 tained in paragraph (2)(C)).”.

21 (d) REPEAL OF COORDINATION WITH RULES RELAT-  
 22 ING TO THE TAXATION OF UNEARNED CHILDREN.—Sec-  
 23 tion 59 is amended by striking subsection (j).

24 (e) CONFORMING AMENDMENT.—Section 55(d) is  
 25 amended by striking paragraph (4).

1       (f) 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.

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