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106TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT 106–493

MARRIAGE TAX PENALTY RELIEF ACT OF 2000

FEBRUARY 7, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means, submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 6]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 6) to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

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The amendments are as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Marriage Tax Penalty Relief Act of 2000".

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "200 percent of the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET; REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

"(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

"(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2002, in prescribing the tables under paragraph (1)—

"(i) the maximum taxable income in the lowest rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the lowest rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

"(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2003	170.3
2004	173.8
2005	183.5
2006	184.3

2007	187.9
2008 and thereafter	200.0.

"(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting "except as provided in paragraph (8)," before "by increasing".

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting "PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;" before "ADJUSTMENTS".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2002.

(2) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) of the Internal Revenue Code of 1986 (relating to percentages and amounts) is amended—

(1) by striking "AMOUNTS.—The earned" and inserting "AMOUNTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the earned", and

(2) by adding at the end the following new subparagraph:

"(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,000.".

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

"(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

"(ii) in the case of the $2,000 amount in subsection (b)(2)(B), by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) of such section 1.".

(c) ROUNDING.—Section 32(j)(2)(A) of such Code (relating to rounding) is amended by striking "subsection (b)(2)" and inserting "subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Amend the title so as to read:

A bill to amend the Internal Revenue Code of 1986 to reduce the marriage penalty by providing for adjustments to the standard deduction, 15-percent rate bracket, and earned income credit and to repeal the reduction of the refundable tax credits.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

PURPOSE

The bill, H.R. 6, as amended ("The Marriage Tax Penalty Relief Act of 2000") provides tax relief to married couples.

The bill provides net tax reductions of over $50 billion over fiscal years 2000–2005. This will provide needed tax relief for married couples by reducing the marriage tax penalty while strengthening the financial resources of the American family and fostering economic prosperity into the 21st century.

SUMMARY

Marriage penalty relief provisions

Standard deduction tax relief.—The bill increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual for taxable years beginning after December 31, 2000.

Expansion of the 15-percent rate bracket and repeal of reduction of refundable credits.—The bill increases the size of the 15-percent regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual. This increase is phased in over six years effective for taxable years beginning after December 31, 2002. It is fully effective for taxable years beginning after December 31, 2007. The bill repeals the provisions that reduce the refundable child credit and the earned income credit by the amount of the individual's alternative minimum tax, effective for taxable years beginning after December 31, 2001.

Marriage penalty relief relating to the earned income credit.—The bill increases the beginning point of the phase-out range of the earned income credit for a married couple filing a joint return by $2,000. This provision is effective for taxable years beginning after December 31, 2000.

B. Background and Need for Legislation

The provisions approved by the Committee reflect the need for tax relief for married couples (e.g., the provisions will reduce the increase in tax liability that can occur under present law when two individuals marry). The estimated revenue effects of the provisions comply with the most recent Congressional Budget Office revisions of budget surplus projections, and represent a prudent first step in reducing overall levels of Federal taxation.

C. Legislative History

COMMITTEE ACTION

The Committee on Ways and Means marked up the provisions of the bill on February 2, 2000, and approved the provisions, as amended, on February 2, 2000, by a rollcall vote of 23 yeas and 16 nays, with a quorum present.

COMMITTEE HEARINGS

The following Committee and Subcommittee hearings related to provisions in the bill were held during the 106th Congress.

Full Committee hearings

Tax-related hearings were held by the full Committee as follows:

Outlook for the state of the U.S. economy (January 20, 1999).

President's fiscal year 2000 budget (February 4, 1999).

Revenue provisions in President's fiscal year 2000 budget (March 10, 1999).

Reducing the tax burden: Providing tax relief to strengthen the family and sustain a strong economy (June 23, 1999).

Subcommittee hearings

The Oversight Subcommittee held tax-related hearings as follows:

Impact of complexity in the tax Code on individual taxpayers and small businesses (May 25, 1999).

II. EXPLANATION OF THE BILL

A. STANDARD DEDUCTION TAX RELIEF (SEC. 2 OF THE BILL AND SEC. 63 OF THE CODE)

PRESENT LAW

Marriage penalty

A married couple generally is treated as one tax unit that must pay tax on the couple's total taxable income. Although married couples may elect to file separate returns, the rate schedules and other provisions are structured so that filing separate returns usually results in a higher tax than filing a joint return. Other rate schedules apply to single persons and to single heads of households.

A "marriage penalty" exists when the combined tax liability of a married couple filing a joint return is greater than the sum of the tax liabilities of each individual computed as if they were not married. A "marriage bonus" exists when the combined tax liability of a married couple filing a joint return is less than the sum of the tax liabilities of each individual computed as if they were not married.

While the size of any marriage penalty or bonus under present law depends upon the individuals' incomes, number of dependents, and itemized deductions, as a general rule married couples whose incomes are split more evenly than 70–30 suffer a marriage penalty. Married couples whose incomes are largely attributable to one spouse generally receive a marriage bonus.

Under present law, the size of the standard deduction and the tax bracket breakpoints follow certain customary ratios across filing statuses. The standard deduction and tax bracket breakpoints for single filers are roughly 60 percent of those for joint filers.[1] Thus, two unmarried individuals have standard deductions whose sum exceeds the standard deduction for a married couple filing a joint return.

Basic standard deduction[2]

Taxpayers who do not itemize deductions may choose the basic standard deduction (and additional standard deductions, if applicable), which is subtracted from adjusted gross income ("AGI") in arriving at taxable income. The size of the basic standard deduction varies according to filing status and is indexed for inflation. For 2000, the size of the basic standard deduction for each filing status is shown in the following table:

[1] This is not true for the 39.6-percent rate. The beginning point of this rate bracket is the same for all taxpayers regardless of filing status.

[2] Additional standard deductions are allowed with respect to any individual who is elderly (age 65 or over) or blind.

Table 1.—Basic Standard Deduction Amounts

Filing status	*Basic standard deduction*
Married, joint return	$7,350
Head of household return	6,450
Single return	4,400
Married, separate return	3,675

For 2000, the basic standard deduction for joint returns is projected to be 1.67 times the basic standard deduction for single returns.

REASONS FOR CHANGE

The Committee is concerned about the inequity of the marriage penalty created by the present-law income tax. The Committee believes that relief from the marriage tax penalty is needed because the marriage tax penalty may undermine respect for the family and may discourage family formation. Any attempt to address the marriage tax penalty involves the balancing of several competing principles, including equal tax treatment of married couples with equal incomes and the determination of equitable relative tax burdens of single individuals and married couples with equal incomes. The Committee believes that an increase in the standard deduction for married couples filing a joint return in conjunction with the other provisions of the bill is a responsible first step towards removing the marriage tax penalty. When fully effective, it provides tax relief to approximately 25 million joint returns, including more than six million returns filed by senior citizens.[3] Approximately three million couples who currently itemize their deductions will realize the simplification benefits of using the basic standard deduction.[4]

EXPLANATION OF PROVISION

The bill increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual beginning in 2001. The basic standard deduction for a married taxpayer filing separately will continue to equal one-half of the basic standard deduction for a married couple filing jointly.

EFFECTIVE DATE

The provision is effective for taxable years beginning after December 31, 2000.

[3] Source: Joint Committee on Taxation staff projections of the number of tax returns affected.
[4] Source: Joint Committee on Taxation staff projections of the number of tax returns affected.

B. Expansion of the 15-Percent Rate Bracket and Repeal of Reduction of Refundable Tax Credits (Sec. 3 of the Bill and Secs. 1, 24, and 32 of the Code)

PRESENT LAW

Rate brackets

To determine regular income tax liability, a taxpayer generally must apply the tax rate schedules (or the tax tables) to his or her taxable income. The rate schedules are broken into several ranges of income, known as income brackets, and the marginal tax rate increases as a taxpayer's income increases. The income bracket amounts are indexed for inflation. Separate rate schedules apply based on an individual's filing status. In order to limit multiple uses of a graduated rate schedule within a family, the net unearned income of a child under age 14 may be taxed as if it were the parent's income. For 2000, the individual regular income tax rate schedules are shown below. These rates apply to ordinary income; separate rates apply to capital gains.

TABLE 2.—FEDERAL INDIVIDUAL INCOME TAX RATES FOR 2000

If taxable income is:	Then income tax equals:
Single individuals	
$0–26,250	15 percent of taxable income
$26,250–$63,550	$3,937.50, plus 28% of the amount over $26,250
$63,550–$132,600	$14,381.50 plus 31% of the amount over $63,550
$132,600–$288,350	$35,787 plus 36% of the amount over $132,600
Over $288,350	$91,857 plus 39.6% of the amount over $288,350
Heads of households	
$0–$35,150	15 percent of taxable income
$35,150–$90,800	$5,272.50 plus 28% of the amount over $35,150
$90,800–$147,050	$20,854.50 plus 31% of the amount over $90,800
$147,050–$288,350	$38,292 plus 36% of the amount over $147,050
Over $288,350	$89,160 plus 39.6% of the amount over $288,350
Married individuals filing joint returns [5]	
$0–$43,850	15 percent of taxable income
$43,850–$105,950	$6,577.50 plus 28% of the amount over $43,850
$105,950–$161,450	$23,965.50 plus 31% of the amount over $105,950
$161,450–$288,350	$41,170.50 plus 36% of the amount over $161,450
Over $288,350	$86,854.50 plus 39.6% of the amount over $288,350

Reduction of refundable credits by alternative minimum tax

Refundable credits may offset tax liability determined under present-law tax rates and allow refunds to an individual in excess of income tax liability. However, the refundable child credit (beginning in taxable years beginning after December 31, 2001) and the earned income credit are reduced by the amount of an individual's alternative minimum tax.

REASONS FOR CHANGE

The Committee believes that the expansion of the 15-percent rate bracket for married couples filing joint returns, in conjunction with

[5] Married individuals filing separately must apply a separate rate structure with tax rate brackets one-half the width of those for married individuals filing joint returns.

the other provisions of the bill, will further alleviate the effects of the marriage tax penalty in the Code. These provisions significantly reduce the most widely applicable marriage penalties in the Code. When fully effective, this provision provides tax relief to approximately 21 million joint returns, including more than four million returns filed by senior citizens.[6]

The Committee believes that families should be able to use the refundable credits without limitation by reason of the minimum tax. In addition, eliminating the reduction of the refundable credits by the minimum tax will result in significant simplification.

EXPLANATION OF PROVISION

Rate brackets

The bill increases the size of the 15–percent regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual. This increase is phased in over six years as shown in the following table. Therefore, this provision is fully effective (i.e., the size of the 15-percent regular income tax rate bracket for a married couple filing a joint return will be twice the size of the 15-percent regular income tax rate bracket for an unmarried individual) for taxable years beginning after December 31, 2007.

Taxable year	*Percentage of 15-percent rate bracket for unmarried individuals*
2003	170.3
2004	173.8
2005	183.5
2006	184.3
2007	187.9
2008 and thereafter	200.0

Reduction of refundable credits by alternative minimum tax

The bill repeals the provisions that reduce the refundable child credit and the earned income credit by the amount of an individual's alternative minimum tax.

EFFECTIVE DATE

The provision relating to the 15-percent rate bracket is effective for taxable years beginning after December 31, 2002. The repeal of the present-law reduction in the child credit and the earned income credit is effective for taxable years beginning after December 31, 2001.

C. Marriage Penalty Relief Relating to the Earned Income Credit (Sec. 4 of the Bill and Sec. 32 of the Code)

PRESENT LAW

Certain eligible low-income workers are entitled to claim a refundable earned income credit ("EIC") on their income tax return. A refundable credit is a credit that not only reduces an individual's tax liability but allows refunds to the individual of amounts in excess of income tax liability. The amount of the credit an eligible in-

[6] Source: Joint Committee on Taxation staff projections of the number of tax returns affected.

dividual may claim depends upon whether the individual has one, more than one, or no qualifying children, and is determined by multiplying the credit rate by the individual's earned income up to an earned income amount. The maximum amount of the credit is the product of the credit rate and the earned income amount. The credit is phased out above certain income levels. For individuals with earned income (or modified AGI, if greater) in excess of the beginning of the phase-out range, the maximum credit amount is reduced by the phase-out rate multiplied by the earned income (or modified AGI, if greater) in excess of the end of the phase-out range, no credit is allowed. In the case of a married individual who files a joint return, the income for purposes of these tests is the combined income of the couple.

The parameters of the credit for 2000 are provided in the following table.

TABLE 3.—EARNED INCOME CREDIT PARAMETERS (2000)

	Two or more qualifying children	One qualifying child	No qualifying children
Credit rate (percent)	40.00	34.00	7.65
Earned income amount	$9,720	$6,920	$4,610
Maximum credit	$3,888	$2,353	$353
Phase-out begins	$12,690	$12,690	$5,770
Phase-out rate (percent)	21.06	15.98	7.65
Phase-out ends	$31,152	$27,413	$10,380

REASONS FOR CHANGE

The Committee believes that the present-law EIC phase-out ranges unfairly penalizes some individuals because they receive a smaller EIC when they marry than if they had not married. Reducing this inequity will provide relief to almost one million married couples.

EXPLANATION OF PROVISION

The bill increases the beginning point of the phase-out range of the EIC for married couples filing a joint return by $2,000. Because the rate of the phase-out range is not changed by the bill, the endpoint of the phase-out range is also increased by $2,000. The effect of the increase in the beginning of the phase-out range is to increase the EIC for taxpayers in the phase-out range by an amount up to $2,000 times the phase-out rate. For example, for couples with two or more qualifying children, the maximum increase in the EIC as a result of the provision will be $2,000 multiplied by 21.06 percent, or $421.20. The bill also expands the number of married couples eligible for the EIC. Specifically, the $2,000 increase in the end of the phase-out range will make married couples with earnings up to $2,000 beyond the present-law phase-out range eligible for the credit. The beginning and ending points of the phase-out range of the EIC (including the $2,000 increase for joint returns) will continue to be indexed for inflation, as under present law.

EFFECTIVE DATE

The provision is effective for taxable years beginning after December 31, 2000.

III. VOTES OF THE COMMITTEE

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the bill, H.R. 6.

MOTION TO REPORT THE BILL

The bill, H.R. 6, as amended, was ordered favorably reported by a roll call vote of 23 yeas to 13 nays (with a quorum being present). The vote was as follows:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer	X		Mr. Rangel		X
Mr. Crane	X		Mr. Stark		X
Mr. Thomas	X		Mr. Matsui		X
Mr. Shaw	X		Mr. Coyne		X
Mrs. Johnson	X		Mr. Levin		X
Mr. Houghton	X		Mr. Cardin		X
Mr. Herger	X		Mr. McDermott		X
Mr. McCrery	X		Mr. Kleczka		X
Mr. Camp	X		Mr. Lewis (GA)		X
Mr. Ramstad	X		Mr. Neal		
Mr. Nussle	X		Mr. McNulty		
Mr. Johnson	X		Mr. Jefferson		
Ms. Dunn	X		Mr. Tanner		X
Mr. Collins	X		Mr. Becerra		X
Mr. Portman	X		Mrs. Thurman		X
Mr. English	X		Mr. Doggett		X
Mr. Watkins	X				
Mr. Hayworth	X				
Mr. Weller	X				
Mr. Hulshof	X				
Mr. McInnis	X				
Mr. Lewis (KY)	X				
Mr. Foley	X				

IV. BUDGET EFFECTS OF THE BILL

A. Committee Estimate of Budgetary Effects

In compliance with clause 3(d)(2) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the revenue provisions of the bill, H.R. 6, as reported.

The bill is estimated to have the following effects on budget receipts for fiscal years 2000–2005:

ESTIMATED BUDGET EFFECTS OF H.R. 6, THE ''MARRIAGE TAX PENALTY RELIEF ACT OF 2000,'' AS REPORTED BY THE COMMITTEE ON WAYS AND MEANS, Fiscal Years 2000–2005

[In billions of dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2000–05
1. Standard deduction set at 2 times single for married filing jointly.	tyba 12/31/00	.....	−4.1	−6.0	−6.4	−6.5	−6.8	−29.8
2. 15% rate bracket set at 2 times single for married filing jointly, phased in over 6 years; repeal AMT reductions of refundable credits.	tyba 12/31/02 & tyba 12/31/01	.....	.....	(1)	−1.8	−4.3	−9.7	−15.9
3. $2,000 increase to the beginning and ending income levels for the EIC phaseout for married filing jointly.[2]	tyba 12/31/00	.....	−(1)	−1.2	−1.2	−1.2	−1.3	−5.0
Net total		.....	−4.1	−7.2	−9.4	−12.0	−17.8	−50.7

Note: Details may not add to totals due to rounding.

Legend for ''Effective'' column: type=taxable years beginning after.

[1] Loss of less than $50 million.

[2] Estimate includes the following effects on fiscal year outlays: 2000—not available; 2001—less than $50 million; 2002—$1.1 billion; 2003—$1.1 billion; 2004—$1.1 billion; 2005—$1.1 billion; 2002—05—$4.3 billion.

B. Statement Regarding New Budget Authority and Tax Expenditures

BUDGET AUTHORITY

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority.

TAX EXPENDITURES

In compliance with clause 2(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the revenue-reducing income tax provisions involve increased tax expenditures. (See amounts in table in Part IV.A., above.)

C. Cost Estimate Prepared by the Congressional Budget Office

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, requiring a cost estimate prepared by the Congressional Budget Office ("CBO"), the following statement by CBO is provided.

U.S. Congress,
Congressional Budget Office,
Washington, DC, February 7, 2000.

Hon. Bill Archer,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 6, the Marriage Tax Elimination Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Hester Grippando.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

H.R. 6—Marriage Tax Elimination Act of 2000

Summary: H.R. 6 would increase the basic standard deduction for a married couple filing a joint return to twice that of a taxpayer filing a single return. The bill would also expand, over a six-year phase-in period, the 15-percent regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding bracket for an individual filing a single return. In addition, H.R. 6 would repeal the provision in current law that offsets the refundable child credit and earned income credit (EIC) by the amount of the alternative minimum tax (AMT). Finally, the bill would increase by $2,000 the beginning and ending income levels for the EIC phase-out for married couples filing jointly.

The Joint Committee on Taxation (JCT) estimates that H.R. 6 would decrease revenues by $4 billion in 2001, by $46 billion over the 2001–2005 period, and by $173 billion over the 2001–2010 period. In addition, JCT estimates that the bill would increase direct spending—the outlay effect of the EIC changes—by $5 million in 2001, by $4 billion over the 2001–2005 period, and by $10 billion over the 2001–2010 period. Because the bill would affect receipts and direct spending, pay-as-you-go procedures would apply.

H.R. 6 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 6 is shown in the following table. JCT provided all revenue and outlay estimates of provisions in H.R. 6.

	By fiscal year, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
CHANGES IN REVENUES						
Increase standard deduction for joint filers	0	−4,105	−6,003	−6,383	−6,523	−6,793
Increase size of 15% tax rate bracket for joint filers; repeal AMT reductions of refundable credits	0	0	−37	−1,816	−4,348	−9,697
Increase beginning and ending income levels for the EIC phaseout for joint filers	0	−1	−166	−172	−181	−184
Total revenues	0	−4,106	−6,206	−8,371	−11,052	−16,674
CHANGES IN DIRECT SPENDING						
Increase beginning and ending income levels for the EIC phaseout for joint filers	0	5	1,082	1,051	1,055	1,076

Source: Joint Committee on Taxation.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the cur-

rent year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars—										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in receipts	0	−4,106	−6,206	−8,371	−11,052	−16,674	−19,371	−21,435	−26,963	−29,133	−29,308
Changes in outlays	0	5	1,082	1,051	1,055	1,076	1,085	1,104	1,101	1,093	1,083

Intergovernmental and private-sector impact: H.R. 6 contains no intergovernmental or private-sector mandates as defined in UMRA. Estimates of mandates were provided by JCT.

Estimate prepared by: Hester Grippando.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis; G. Thomas Woodward, Assistant Director for Tax Analysis.

V. OTHER MATTERS TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. Committee Oversight Findings and Recommendations

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives (relating to oversight findings), the Committee advises that it was a result of the Committee's oversight review concerning the tax burden on individual taxpayers that the Committee concluded that it is appropriate and timely to enact the revenue provisions included in the bill as reported.

B. Summary of Findings and Recommendations of the Committee on Government Reform

With respect to clause 3(c)(4) of rule XII of the Rules of the House of Representatives, the Committee advises that no oversight findings or recommendations have been submitted to this Committee by the Committee on Government Reform with respect to the provisions contained in the bill.

C. Constitutional Authority Statement

With respect to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives (relating to Constitutional Authority), the Committee states that the Committee's action in reporting this bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises . . ."), and from the 16th Amendment to the Constitution.

D. Information Relating to Unfunded Mandates

This information is provided in accordance with section 423 of the Unfunded Mandates Act of 1995 (P.L. 104–4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, and tribal governments.

E. Applicability of House Rule XXI5(b)

Rule XXI5(b) of the Rules of the House of Representatives provides, in part, that "No bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase shall be considered as passed or agreed to unless determined by a vote of not less than three-fifths of the Members." The Committee has carefully reviewed the provisions of the bill, and states that the

provisions of the bill do not involve any Federal income tax rate increase within the meaning of the rule.

F. Tax Complexity Analysis

The following tax complexity analysis is provided pursuant to section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998, which requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service ("IRS") and the Treasury Department) to provide a complexity analysis of tax legislation reported by the House Committee on Ways and Means, the Senate Committee on Finance, or a Conference Report containing tax provisions. The complexity analysis is required to report on the complexity and administrative issues raised by provisions that directly or indirectly amend the Internal Revenue Code and that have widespread applicability to individuals or small businesses. For each such provision identified by the staff of the Joint Committee on Taxation, a summary description of the provision is provided, along with an estimate of the number and the type of affected taxpayers, and a discussion regarding the relevant complexity and administrative issues.

Following the analysis of the staff of the Joint Committee on Taxation are the comments of the IRS regarding each of the provisions included in the complexity analysis, including a discussion of the likely effect on IRS forms and any expected impact on the IRS.

1. STANDARD DEDUCTION TAX RELIEF (SEC. 2 OF THE BILL)

Summary description of provision

The bill increases the basic standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual for taxable years beginning after December 31, 2000.

Number of affected taxpayers

It is estimated that the provision will affect approximately twenty five million individual tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to this provision. The higher basic standard deduction should not result in an increase in disputes with the IRS, nor will regulatory guidance be necessary to implement this provision. In addition, the provision should not increase individuals' tax preparation costs.

Some taxpayers who currently itemize deductions may respond to the provision by claiming the increased standard deduction in lieu of itemizing. According to estimates by the staff of the Joint Committee on Taxation, approximately three million individual tax returns will realize greater tax savings from the increased standard deduction than from itemizing their deductions. In addition to the tax savings, such taxpayers will no longer have to file Schedule A to Form 1040 or need to engage in the record keeping inherent in itemizing below-the-line deductions. Moreover, by claiming the standard deduction, such taxpayers may qualify to use simpler

versions of the Form 1040 (i.e., Form 1040EZ or Form 1040A) that are not available to individuals who itemize their deductions. These forms simplify the return preparation process by eliminating from the Form 1040 those items that do not apply to a particular taxpayer.

This reduction in complexity and record keeping may also result in a decline in the number of individuals using a tax preparation service (or a decline in the cost of using such a service). Furthermore, if the provision results in a taxpayer qualifying to use one of the simpler versions of the Form 1040, the taxpayer may be eligible to file a paperless Federal tax return by telephone. The provision also should reduce the number of disputes between taxpayers and the IRS regarding substantiation of itemized deductions.

2. EXPANSION OF THE 15-PERCENT RATE BRACKET (SEC. 3 OF THE BILL)

Summary description of provision

The provision increases the size of the 15-percent regular income tax rate bracket for married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual. This increase is phased-in over six years beginning for taxable years beginning after December 31, 2002. It is fully effective for taxable years beginning after December 31, 2007.

Number of affected taxpayers

It is estimated that the provision will affect approximately twenty one million individual tax returns.

Discussion

It is not anticipated that individuals will need to keep additional records due to this provision. The increased size of the 15-percent regular income tax rate bracket for married couples filing joint returns should not result in an increase in disputes with the IRS, nor will regulatory guidance be necessary to implement this provision.

3. INTERACTIVE EFFECT OF THE ALTERNATIVE MINIMUM TAX RULES

Both provisions (*i.e.,* the standard deduction tax relief and the expanded 15 percent rate bracket) are affected by the alternative minimum tax rules. Specifically, because neither provision makes corresponding changes to the alternative minimum tax regime, additional individual taxpayers will need to make the necessary calculations to determine the applicability of the alternative minimum tax rules. It is estimated that for the year 2005, more than two million additional individual income tax returns who benefit from the provisions will be required to include a calculation of the tentative minimum tax and file the appropriate alternative minimum tax forms. By the year 2009, this number is expected to rise to over seven million additional individual income tax returns. For these taxpayers, it could be expected that the interaction of the provisions with the alternative minimum tax rules would result in an increase in tax preparation costs and in the number of individuals using a tax preparation service.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, February 4, 2000.

Ms. LINDY L. PAULL,
Chief of Staff, Joint Committee on Taxation,
Washington, DC.

DEAR MS. PAULL: Attached are the combined comments of the Internal Revenue Service and the Treasury Department on the two provisions from the Committee on Ways and Means' markup of "The Marriage Tax Penalty Relief Act of 2000" that you identified for complexity analysis in your letter of January 31, 2000. Our comments are based on the description of those provisions in JCX–3–00, Joint Committee on Taxation, Description of the Marriage Tax Penalty Relief Act of 2000, January 31, 2000.

Due to the short turnaround time, our comments are provisional and subject to change upon a more complete and in-depth analysis of the provisions.

Sincerely,

CHARLES O. ROSSOTTI.

Attachment.

COMPLEXITY ANALYSIS OF PROVISIONS FROM THE MARRIAGE TAX PENALTY RELIEF ACT

STANDARD DEDUCTION

Provision: Increase the standard deduction for a married couple filing a joint return to twice the basic standard deduction for an unmarried individual (effective for taxable years beginning after December 31, 2000).

IRS and Treasury Comments:

The increase in the basic standard deduction for married taxpayers would be incorporated in the 2001 instructions for Forms 1040, 1040A, and 1040EZ, and on the 2001 Forms 1040, 1040A, 1040EZ, and 1040–ES. No new forms would be required.

Programming changes would be required to reflect the increased standard deduction for married taxpayers. Currently, IRS tax computation programs are updated annually to incorporate mandated inflation adjustments. Programming changes necessitated by this provision would be included during that process.

The provision would increase the number of alternative minimum tax (AMT) filers, and would also cause additional taxpayers to perform AMT calculations only to determine that they do not have any AMT liability. Treasury estimates that for tax year 2001, the provision would cause an additional 100,000 taxpayers to incur AMT liability. Treasury also estimates that for tax year 2010, the provision, together with the provision to increase the width of the 15-percent income tax rate bracket for married persons, would increase the number of individuals incurring liability due to the AMT by more than 8 million—about a 50 percent increase. (A permanent extension of the current law provision which permits certain personal tax credits to offset AMT liability would increase the 8 million number to about 9 million.)

15-PERCENT RATE BRACKET

Provision: Increase the size of the 15-percent regular income tax rate bracket for a married couple filing a joint return to twice the size of the corresponding rate bracket for an unmarried individual (phased in over 6 years beginning in 2003).

IRS and Treasury Comments:

The increase in the width of the 15-percent bracket for married taxpayers would be incorporated into the tax tables and the tax rate schedules shown in the instructions for Form 1040, 1040A, 1040EZ, and 1040NR, and on Form 1040–ES, for each year during the phase-in period (2003–2008). No new forms would be required.

Programming changes would be required to reflect the wider 15-percent rate bracket for married taxpayers for each of the 6 tax years in the phase-in period. Currently, IRS tax computation programs are updated annually to incorporate mandated inflation adjustments. Programming changes necessitated by this provision would be included during that process.

The provision would increase the number of AMT filers, and would also cause additional taxpayers to perform AMT calculations only to determine that they do not have any AMT liability. See comments on standard deduction for Treasury's estimate of the combined impact of this provision and the increase in the standard deduction on AMT filing for tax year 2010.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

Subtitle A—Income Taxes

* * * * * * *

CHAPTER 1—NORMAL TAXES AND SURTAXES

* * * * * * *

Subchapter A—Determination of Tax Liability

* * * * * * *

PART I—TAX ON INDIVIDUALS

* * * * * * *

SEC. 1. TAX IMPOSED.

(a) * * *

* * * * * * *

(f) *PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;* ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

(1) * * *

(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

(A) *except as provided in paragraph (8),* by increasing the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table by the cost-of-living adjustment for such calendar year,

* * * * * * *

(6) ROUNDING.—

(A) * * *

(B) TABLE FOR MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of a married individual filing a separate return, subparagraph (A) [(other than with respect to subsection (c)(4) of section 63 (as it applies to subsections (c)(5)(A) and (f) of such section) and section 151(d)(4)(A)) shall be applied] *(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied* by substituting "$25" for "$50" each place it appears.

* * * * * * *

(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET.—

(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2002, in prescribing the tables under paragraph (1)—

(i) the maximum taxable income in the lowest rate bracket in the table contained in subsection (a) (and the minimum taxable income in the next higher taxable income bracket in such table) shall be the applicable percentage of the maximum taxable income in the lowest rate bracket in the table contained in subsection (c) (after any other adjustment under this subsection), and

(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

For taxable years beginning in calendar year—	***The applicable percentage is—***
2003	*170.3*
2004	*173.8*
2005	*183.5*
2006	*184.3*
2007	*187.9*
2008 and thereafter	*200.0.*

(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

* * * * * * *

PART IV—CREDITS AGAINST TAX

* * * * * * *

Subpart A—Nonrefundable Personal Credits

* * * * * * *

SEC. 24. CHILD TAX CREDIT.

(a) * * *

* * * * * * *

(d) ADDITIONAL CREDIT FOR FAMILIES WITH 3 OR MORE CHILDREN.—

(1) * * *

[(2) REDUCTION OF CREDIT TO TAXPAYER SUBJECT TO ALTERNATIVE MINIMUM TAX.—For taxable years beginning after December 31, 2000, the credit determined under this subsection for the taxable year shall be reduced by the excess (if any) of—

[(A) the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year, over

[(B) the amount of the reduction under section 32(h) with respect to such taxpayer for such taxable year.

[(3) SOCIAL SECURITY TAXES.—For purposes of paragraph (1)—

[(A) IN GENERAL.—The term "social security taxes" means, with respect to any taxpayer for any taxable year—

[(i) the amount of the taxes imposed by sections 3101 and 3201(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins,

[(ii) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer for the taxable year, and

[(iii) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

[(B) COORDINATION WITH SPECIAL REFUND OF SOCIAL SECURITY TAXES.—The term "social security taxes" shall not include any taxes to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).

[(C) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A)(i) shall be treated as taxes referred to in such subparagraph.]

[(3)] *(2)* SOCIAL SECURITY TAXES.—For purposes of paragraph (1)—

(A) * * *

* * * * * * *

Subpart C—Refundable Credits

* * * * * * *

SEC. 32. EARNED INCOME.

(a) * * *

(b) PERCENTAGES AND AMOUNTS.—For purposes of subsection (a)—

(1) * * *

(2) [AMOUNTS.—The earned] *AMOUNTS.—*

(A) IN GENERAL.—Subject to subparagraph (B), the earned income amount and the phaseout amount shall be determined as follows:

* * * * * * *

(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,000.

* * * * * * *

[(h) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount of tax imposed by section 55 (relating to alternative minimum tax) with respect to such taxpayer for such taxable year.]

* * * * * * *

(j) INFLATION ADJUSTMENTS.—

(1) IN GENERAL.—In the case of any taxable year beginning after 1996, each of the dollar amounts in subsections (b)(2) and (i)(1) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

[(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, determined by substituting "calendar year 1995" for "calendar year 1992" in subparagraph (B) thereof.]

(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting "calendar year 1995" for "calendar year 1992" in subparagraph (B) thereof, and

(ii) in the case of the $2,000 amount in subsection (b)(2)(B), by substituting "calendar year 2000" for "calendar year 1992" in subparagraph (B) of such section 1.

(2) ROUNDING.—

(A) IN GENERAL.—If any dollar amount in [subsection (b)(2)] *subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)*, after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.

(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount in subsection (i)(1), after being increased under paragraph (1), is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

* * * * * * *

Subchapter B—Computation of Taxable Income

* * * * * * *

PART I—DEFINITION OF GROSS INCOME, ADJUSTED GROSS INCOME, TAXABLE INCOME, ETC.

* * * * * * *

SEC. 63. TAXABLE INCOME DEFINED.

(a) * * *

* * * * * * *

(c) STANDARD DEDUCTION.—For purposes of this subtitle—

(1) * * *

(2) BASIC STANDARD DEDUCTION.—For purposes of paragraph (1), the basic standard deduction is—

(A) [$5,000] *200 percent of the dollar amount in effect under subparagraph (C) for the taxable year* in the case of—

(i) a joint return, or

(ii) a surviving spouse (as defined in section 2(a)),

(B) $4,400 in the case of a head of household (as defined in section 2(b)), *or*

(C) $3,000 [in the case of an individual who is not married and who is not a surviving spouse or head of household, or] *in any other case.*

[(D) $2,500 in the case of a married individual filing a separate return.]

* * * * * * *

(4) ADJUSTMENTS FOR INFLATION.—In the case of any taxable year beginning in a calendar year after 1988, each dollar amount contained in paragraph (2) or (5) or subsection (f) shall be increased by an amount equal to—

(A) * * *

* * * * * * *

The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).

* * * * * * *

VII. DISSENTING VIEWS

The Democratic Members of this Committee strongly support marriage penalty relief. It had been our hope that this Committee, on a bipartisan basis, would seek a solution to that problem. Instead, we are being asked to vote for a bill developed without consultation with us or the Administration, a bill that was announced to the Committee Members in a partisan press conference. We cannot vote for this technically flawed bill because we do not know how it, in its current state, will fit in the budget picture. And, we have no idea where the resources will be found to fix the technical flaws of the bill.

Quite simply, the Republican Members of this Committee have reported out a bill without any knowledge as to whether that bill would permit us to pay down the National debt by 2013 as proposed by the President, extend the solvency of the Medicare and Social Security systems, provide a prescription drug benefit for the elderly, or enact other priority items with broad bipartisan support. This Committee simply does not know the consequences of its action today and therefore we must oppose the Committee bill.

The partisan nature of the bill was made clear in the press release announcing its details. It described marriage penalty relief as "the best Valentine's Day present we could give to millions of couples." The Republican Leadership has decided to use this marriage penalty legislation as a political stunt, not as an attempt to reach a bipartisan solution to this issue. Again they have chosen confrontation rather than legislation.

Last year the House Republican Leadership decided to pursue an irresponsible tax reduction agenda. Their legislation was vetoed by the President, and there was such broad public support for that veto that they did not even attempt to override it. This year their strategy is to enact that irresponsible agenda in approximately $200 billion increments. Again, they will fail because the American public first wants action on a Patient's Bill of Rights, preservation and protection of the Medicare and Social Security systems, reduction in the public debt, a prescription drug benefit for the elderly, education initiatives, and an increase in the minimum wage. The public has made it clear, they first want action on these issues of concern.

When Members of Congress engage in political stunts, quite often the resulting legislation is flawed. That is the case with the Committee bill today. It fails to make needed adjustments to the individual alternative minimum tax. As a result, the bill will not reduce the marriage penalty for millions of American families. It simply will change the name of the tax that they must pay.

According to preliminary Treasury Department estimates, the Committee bill will result in an approximately $65 billion increase in minimum tax liabilities over the next 10 years. That means that

the big print of the Committee bill promises approximately $250 billion in tax relief but it utilizes the small print of the minimum tax to take back almost $65 billion of that promised relief. The Committee Republicans use this device to reduce the cost of their bill even though they loudly and publicly call for the repeal of the minimum tax.

Using the minimum tax to reduce the cost of the bill will have uneven effects. Married couples without children and living in States with low State and local tax burdens probably will receive most, if not all, of the promised relief. However, taxpayers with children and taxpayers claiming large State and local tax deductions probably will be denied much of the promised relief. This is because personal exemptions and State and local tax deductions are not allowed against the minimum tax. According to preliminary Treasury Department estimates, in the year 2010 (2 years after the Committee bill is fully effective), 45 percent of American families with two children already will pay the minimum tax. None of those families will receive any benefit from the Committee bill no matter how large their marriage tax penalty. Under the Committee bill, the percentage of families with two children liable for the minimum tax will increase to 53 percent in the year 2010. That means that less than half the families with two children ultimately will receive the tax benefits promised by the Chairman.

It is true that the flaws of the Committee bill could be remedied but at a fairly significant cost. The Joint Tax Committee has estimated that an amendment to the Committee bill that would extend the current law waiver of the AMT limits on nonrefundable credits and that would ensure the benefits of the Committee bill are not denied by the minimum tax, would cost approximately $81 billion over 10 years. That amendment would increase the cost of the Committee bill approximately 90 percent in the year 2010, from $28.7 to almost $52 billion.

During Committee consideration of this legislation there was a long discussion on the impact of this bill on a married couple in Congressman Jerry Weller's district. This family includes two school teachers with one child. The parents have a combined income of $50,000 per year. Republican Members of the Committee stated that it is the type of taxpayer who will receive large benefits from the bill. The opposite is true. This couple would receive at most $218 in annual tax relief because all of their taxable income is currently taxed at 15 percent, in the lowest Federal tax bracket. If this couple own their own home and itemize their mortgage interest deductions, they will receive absolutely no benefit from the Committee bill at their current income level. In all likelihood, faster repayment of the National debt, which could potentially lower interest rates, would be far more beneficial to this couple than the Committee bill.

This Committee traditionally has taken great care in the crafting of the legislation it reports. Quite often, this Committee has been called upon to examine proposals with broad political support to make sure that those proposals, if enacted, would not have unintended or unfair consequences. Performing that function has not always made the Committee on Ways and Means popular with the other Members of the House, but it has been the responsibility of

this Committee. The legislation reported by the Committee today is inconsistent with that tradition, and we are unable to support it.

C.B. RANGEL.
PETE STARK.
ROBERT T. MATSUI.
WILLIAM J. COYNE.
SANDER M. LEVIN.
BEN CARDIN.
JIM MCDERMOTT.
JERRY KLECZKA.
WILLIAM J. JEFFERSON.
RICHARD E. NEAL.
XAVIER BECERRA.
JOHN LEWIS.
JOHN TANNER.
LLOYD DOGGETT.
KAREN L. THURMAN.
MICHAEL R. MCNULTY.

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