

104TH CONGRESS
1ST SESSION

S. 147

To amend the Internal Revenue Code of 1986 to increase the personal exemption for dependents to \$5,000, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1995

Mr. GRAMM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the personal exemption for dependents to \$5,000, 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. INCREASE IN PERSONAL EXEMPTION FOR DE-**
4 **PENDENTS TO \$5,000.**

5 (a) INCREASE IN EXEMPTION.—Paragraph (1) of
6 section 151(d) of the Internal Revenue Code of 1986 (de-
7 fining exemption amount) is amended to read as follows:

8 “(1) DETERMINATION OF AMOUNT.—

1 “(A) IN GENERAL.—Except as otherwise
2 provided in this subsection, the term ‘exemption
3 amount’ means \$2,000.

4 “(B) ADDITIONAL AMOUNT FOR DEPEND-
5 ENTS.—In the case of an exemption under sub-
6 section (c), the exemption amount is \$5,000.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Subparagraph (A) of section 151(d)(3) is
9 amended by striking “the exemption amount” and
10 inserting “the exemption amount (after any adjust-
11 ment under paragraph (4))”.

12 (2) Subparagraph (A) of section 151(d)(4) is
13 amended—

14 (A) by striking “the dollar amount” and
15 inserting “each dollar amount”, and

16 (B) by striking everything following “be-
17 gins,” in clause (ii) and inserting “except that
18 subparagraph (B) thereof shall be applied by
19 substituting ‘1988’ for ‘1992’ in the case of the
20 \$2,000 amount and by substituting ‘1994’ for
21 ‘1992’ in the case of the \$5,000 amount.”

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 1994.

1 **SEC. 2. DECREASE IN FEDERAL DISCRETIONARY SPENDING**
2 **AUTHORITY TO FINANCE INCREASE IN PER-**
3 **SONAL EXEMPTION.**

4 Section 601(a)(2) of the Congressional Budget Act
5 of 1974 is amended—

6 (1) in subparagraph (E) by striking “and”
7 after the semicolon; and

8 (2) by striking subparagraph (F) and inserting
9 the following:

10 “(F) with respect to fiscal year 1996, for
11 the discretionary category, \$491,330,000,000 in
12 new budget authority and \$524,265,000,000 in
13 outlays;

14 “(G) with respect to fiscal year 1997, for
15 the discretionary category, \$498,679,000,000 in
16 new budget authority and \$520,271,000,000 in
17 outlays; and

18 “(H) for each of the fiscal years 1998,
19 1999, 2000, 2001, and 2002 \$499,899,000,000
20 in new budget authority and \$517,686,000,000
21 in outlays.”.

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