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111TH CONGRESS
1ST SESSION

S. 978

To amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals.

IN THE SENATE OF THE UNITED STATES

MAY 5, 2009

Mrs. LINCOLN (for herself and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to increase the limitation on capital losses applicable to individuals.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN LIMITATION ON CAPITAL LOSSES APPLICABLE TO INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 1211(b) of the Internal Revenue Code of 1986 (relating to limitation on capital losses for taxpayers other than corporations) is amended by striking "$3,000 ($1,500" and inserting "$10,000 (½ such amount".

(b) ADJUSTMENT FOR INFLATION.—Section 1211 of the Internal Revenue Code of 1986 (relating to limitation on capital losses) is amended by adding at the end the following new subsection:

"(c) ADJUSTMENT FOR INFLATION.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2009, the $10,000 amount contained in subsection (b)(1) shall each be increased by an amount equal to—

"(A) such 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 by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $50, such increase shall be rounded to the next highest multiple of $50.".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2008.

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