

112TH CONGRESS
1ST SESSION

H. R. 206

To amend the Internal Revenue Code of 1986 to prevent pending tax increases, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2011

Mr. NEUGEBAUER (for himself, Mr. CHAFFETZ, Mr. KING of Iowa, Mr. GARRETT, Mr. McCAUL, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. PAUL, Mr. LAMBORN, Ms. FOXX, Mr. BARTLETT, Mr. MCKINLEY, Mrs. McMORRIS RODGERS, Mr. BURGESS, Mr. STEARNS, Mr. COFFMAN of Colorado, Mr. SIMPSON, Mr. BROUN of Georgia, Mr. McKEON, Mr. MILLER of Florida, Mr. LATTA, Mr. BISHOP of Utah, Mr. POE of Texas, Mr. CRAWFORD, and Mr. MARCHANT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to prevent pending tax increases, 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. EGTRRA, JGTRRA, AND CERTAIN OTHER TAX**

4 **RELIEF MADE PERMANENT.**

5 (a) ECONOMIC GROWTH AND TAX RELIEF REC-
6 ONCILIATION ACT OF 2001.—Title IX of the Economic

1 Growth and Tax Relief Reconciliation Act of 2001 is here-
2 by repealed.

3 (b) INCOME TAX RATES ON DIVIDENDS AND NET
4 CAPITAL GAIN.—Section 303 of the Jobs and Growth Tax
5 Relief Reconciliation Act of 2003 is hereby repealed.

6 (c) DEDUCTION FOR STATE AND LOCAL SALES
7 TAXES.—Paragraph (5) of section 164(b) of the Internal
8 Revenue Code of 1986 is amended by striking subpara-
9 graph (I).

10 (d) DEDUCTION FOR TUITION AND RELATED EX-
11 PENSES.—Section 222 of such Code is amended by strik-
12 ing subsection (e).

13 (e) INCREASED EXPENSING FOR SMALL BUSI-
14 NESS.—

15 (1) DOLLAR LIMITATION.—Paragraph (1) of
16 section 179(b) of such Code is amended by striking
17 subparagraphs (C) and (D) and inserting the fol-
18 lowing new subparagraph:

19 “(C) \$125,000 in the case of taxable years
20 beginning after 2011.”.

21 (2) INCREASE IN QUALIFYING INVESTMENT AT
22 WHICH PHASEOUT BEGINS.—Paragraph (2) of sec-
23 tion 179(b) of such Code is amended by striking
24 subparagraphs (C) and (D) and inserting the fol-
25 lowing new subparagraph:

1 “(C) \$500,000 in the case of taxable years
2 beginning after 2011.”.

3 (3) INFLATION ADJUSTMENTS.—Paragraph (6)
4 of section 179 of such Code is amended to read as
5 follows:

6 “(6) INFLATION ADJUSTMENTS.—

7 “(A) IN GENERAL.—In the case of any
8 taxable year beginning in a calendar year after
9 2012, the \$125,000 and \$500,000 amounts in
10 paragraphs (1)(C) and (2)(C) shall each be in-
11 creased by an amount equal to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-
14 termined under section 1(f)(3) for the cal-
15 endar year in which the taxable year be-
16 gins, by substituting ‘calendar year 2011’
17 for ‘calendar year 1992’ in subparagraph
18 (B) thereof.

19 “(B) ROUNDING.—

20 “(i) DOLLAR LIMITATION.—If the
21 amount in paragraph (1)(C), as increased
22 under subparagraph (A), is not a multiple
23 of \$1,000, such amount shall be rounded
24 to the nearest multiple of \$1,000.

1 “(ii) PHASEOUT AMOUNT.—If the
2 amount in paragraph (2)(C), as increased
3 under subparagraph (A), is not a multiple
4 of \$10,000, such amount shall be rounded
5 to the nearest multiple of \$10,000.”.

6 (4) REVOCATION OF ELECTION.—Paragraph
7 (2) of section 179(e) of such Code (relating to elec-
8 tion irrevocable) is amended by striking “and before
9 2013”.

10 (5) COMPUTER SOFTWARE.—Clause (ii) of sec-
11 tion 179(d)(1)(A) of such Code is amended by strik-
12 ing “and before 2012”.

13 (f) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect on the date of the enactment
15 of this Act.

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