

112TH CONGRESS
1ST SESSION

H. R. 3105

To amend the Internal Revenue Code of 1986 to impose a surcharge on high income individuals.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 5, 2011

Mr. HASTINGS of Florida 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 impose a surcharge on high income individuals.

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.**

4 This Act may be cited as the “Fairness in the Amer-
5 ican Tax Code Act of 2011”.

6 **SEC. 2. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

7 (a) IN GENERAL.—Subchapter A of chapter 1 of the
8 Internal Revenue Code of 1986 is amended by adding at
9 the end the following new part:

1 **“PART VIII—SURCHARGE ON HIGH INCOME**
2 **INDIVIDUALS**

“Sec. 59B. Surcharge on high income individuals.

3 **“SEC. 59B. SURCHARGE ON HIGH INCOME INDIVIDUALS.**

4 “(a) IN GENERAL.—In the case of a taxpayer other
5 than a corporation, there is hereby imposed (in addition
6 to any other tax imposed by this subtitle) a tax equal to—

7 “(1) 5 percent of so much of the modified ad-
8 justed gross income of the taxpayer as exceeds
9 \$350,000 but does not exceed \$500,000,

10 “(2) 10 percent of so much of the modified ad-
11 justed gross income of the taxpayer as exceeds
12 \$500,000 but does not exceed \$1,000,000,

13 “(3) 15 percent of so much of the modified ad-
14 justed gross income of the taxpayer as exceeds
15 \$1,000,000 but does not exceed \$10,000,000, and

16 “(4) 20 percent of so much of the modified ad-
17 justed gross income of the taxpayer as exceeds
18 \$10,000,000.

19 “(b) TAXPAYERS NOT MAKING A JOINT RETURN.—
20 In the case of any taxpayer other than a taxpayer making
21 a joint return under section 6013 or a surviving spouse
22 (as defined in section 2(a)), subsection (a) shall be applied
23 by substituting for each of the dollar amounts therein
24 (after any increase determined under subsection (d)) a
25 dollar amount equal to—

1 “(1) 50 percent of the dollar amount so in ef-
2 fect in the case of a married individual filing a sepa-
3 rate return, and

4 “(2) 80 percent of the dollar amount so in ef-
5 fect in any other case.

6 “(c) MODIFIED ADJUSTED GROSS INCOME.—For
7 purposes of this section, the term ‘modified adjusted gross
8 income’ means adjusted gross income reduced by any de-
9 duction allowed for investment interest (as defined in sec-
10 tion 163(d)). In the case of an estate or trust, adjusted
11 gross income shall be determined as provided in section
12 67(e).

13 “(d) INFLATION ADJUSTMENTS.—

14 “(1) IN GENERAL.—In the case of taxable years
15 beginning after 2011, the dollar amounts in sub-
16 section (a) shall be increased by an amount equal
17 to—

18 “(A) such dollar amount, multiplied by

19 “(B) the cost-of-living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year in which the taxable year begins, deter-
22 mined by substituting ‘calendar year 2010’ for
23 ‘calendar year 1992’ in subparagraph (B)
24 thereof.

1 “(2) ROUNDING.—If any amount as adjusted
2 under paragraph (1) is not a multiple of \$5,000,
3 such amount shall be rounded to the next lowest
4 multiple of \$5,000.

5 “(e) SPECIAL RULES.—

6 “(1) NONRESIDENT ALIENS.—In the case of a
7 nonresident alien individual, only amounts taken
8 into account in connection with the tax imposed
9 under section 871(b) shall be taken into account
10 under this section.

11 “(2) CITIZENS AND RESIDENTS LIVING
12 ABROAD.—The dollar amounts in effect under sub-
13 section (a) (after the application of subsections (b)
14 and (d)) shall be decreased by the excess of—

15 “(A) the amounts excluded from the tax-
16 payer’s gross income under section 911, over

17 “(B) the amounts of any deductions or ex-
18 clusions disallowed under section 911(d)(6)
19 with respect to the amounts described in sub-
20 paragraph (A).

21 “(3) CHARITABLE TRUSTS.—Subsection (a)
22 shall not apply to a trust all the unexpired interests
23 in which are devoted to one or more of the purposes
24 described in section 170(c)(2)(B).

1 “(4) TAX NOT TREATED AS TAX IMPOSED BY
2 THIS CHAPTER FOR CERTAIN PURPOSES.—The tax
3 imposed under this section shall not be treated as
4 tax imposed by this chapter for purposes of deter-
5 mining the amount of any credit under this chapter
6 or for purposes of section 55.”.

7 (b) CLERICAL AMENDMENT.—The table of parts for
8 subchapter A of chapter 1 of such Code is amended by
9 inserting after the item relating to part VII the following
10 new item:

 “PART VIII. SURCHARGE ON HIGH INCOME INDIVIDUALS”.

11 (c) SECTION 15 NOT TO APPLY.—The amendment
12 made by subsection (a) shall not be treated as a change
13 in a rate of tax for purposes of section 15 of the Internal
14 Revenue Code of 1986.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2011.

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