

117TH CONGRESS
1ST SESSION

S. 2028

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

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2021

Mr. VAN HOLLEN (for himself, Mr. BROWN, Ms. KLOBUCHAR, and Mr. MERKLEY) 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 impose a surtax 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 “Millionaires Surtax
5 Act”.

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) GENERAL RULE.—In the case of a taxpayer
5 other than a corporation, there is hereby imposed (in addi-
6 tion to any other tax imposed by this subtitle) a tax equal
7 to 10 percent of so much of the modified adjusted gross
8 income of the taxpayer as exceeds \$2,000,000.

9 “(b) TAXPAYERS NOT MAKING A JOINT RETURN.—
10 In the case of any taxpayer other than a taxpayer making
11 a joint return under section 6013 or a surviving spouse
12 (as defined in section 2(a)), subsection (a) shall be applied
13 by substituting ‘\$1,000,000’ for ‘\$2,000,000’.

14 “(c) MODIFIED ADJUSTED GROSS INCOME.—For
15 purposes of this section, the term ‘modified adjusted gross
16 income’ means adjusted gross income reduced by any de-
17 duction (not taken into account in determining adjusted
18 gross income) allowed for investment interest (as defined
19 in section 163(d)). In the case of an estate or trust, ad-
20 justed gross income shall be determined as provided in sec-
21 tion 67(e).

22 “(d) SPECIAL RULES.—

23 “(1) NONRESIDENT ALIEN.—In the case of a
24 nonresident alien individual, only amounts taken
25 into account in connection with the tax imposed

1 under section 871(b) shall be taken into account
 2 under this section.

3 “(2) CITIZENS AND RESIDENTS LIVING
 4 ABROAD.—The dollar amount in effect under sub-
 5 section (a) (after the application of subsection (b))
 6 shall be decreased by the excess of—

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

9 “(B) the amounts of any deductions or ex-
 10 clusions disallowed under section 911(d)(6)
 11 with respect to the amounts described in sub-
 12 paragraph (A).

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

17 “(4) NOT TREATED AS TAX IMPOSED BY THIS
 18 CHAPTER FOR CERTAIN PURPOSES.—The tax im-
 19 posed under this section shall not be treated as tax
 20 imposed by this chapter for purposes of determining
 21 the amount of any credit under this chapter or for
 22 purposes of section 55.”.

23 (b) CLERICAL AMENDMENT.—The table of parts for
 24 subchapter A of chapter 1 of the Internal Revenue Code

1 of 1986 is amended by adding at the end the following
2 new item:

“PART VIII—SURCHARGE ON HIGH INCOME INDIVIDUALS”.

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

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2021.

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