

**DESCRIPTION OF H.R. 3590,
THE “HALT TAX INCREASES ON
THE MIDDLE CLASS AND SENIORS ACT”**

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on June 15, 2016

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



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CONTENTS

	<u>Page</u>
INTRODUCTION	1
A. Repeal of Increase in Income Threshold for Medical Expense Deduction	2

INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup of H.R. 3590, the “Halt Tax Increases on the Middle Class and Seniors Act”, on June 15, 2016. This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a description of the bill.

¹ This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 3590, the “Halt Tax Increases on the Middle Class and Seniors Act”* (JCX-60-16), June 14, 2016. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references herein are to the Internal Revenue Code of 1986, as amended, unless otherwise stated.

A. Repeal of Increase in Income Threshold for Medical Expense Deduction

Present Law

Individuals may claim an itemized deduction for unreimbursed medical expenses, but only to the extent that such expenses exceed 10 percent of adjusted gross income.² For taxable years beginning before January 1, 2017, the 10-percent threshold is reduced to 7.5 percent in the case of taxpayers who have attained the age of 65 before the close of the taxable year. In the case of married taxpayers, the 7.5 percent threshold applies if either spouse has obtained the age of 65 before the close of the taxable year. For these taxpayers, during these years, the threshold is 10 percent for AMT purposes.

Description of Proposal

The proposal permanently lowers the adjusted gross income threshold from 10 percent to 7.5 percent for all taxpayers, regardless of age. Under the proposal, the threshold continues to be 10 percent for AMT purposes.

Effective Date

The proposal is effective for taxable years beginning after December 31, 2014.

² Sec. 213. The threshold was amended by the Patient Protection and Affordable Care Act (Pub. L. No. 111-118). For taxable years beginning before January 1, 2013, the threshold was 7.5 percent and 10 percent for alternative minimum tax (“AMT”) purposes.