

115TH CONGRESS
2D SESSION

H. R. 6760

To amend the Internal Revenue Code of 1986 to make permanent certain provisions of the Tax Cuts and Jobs Act affecting individuals, families, and small businesses.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 2018

Mr. RODNEY DAVIS of Illinois (for himself, Mr. MEADOWS, Mr. WALKER, Mr. BRADY of Texas, Mr. SAM JOHNSON of Texas, Mr. NUNES, Mr. REICHERT, Mr. ROSKAM, Mr. BUCHANAN, Mr. SMITH of Nebraska, Ms. JENKINS of Kansas, Mr. PAULSEN, Mr. MARCHANT, Mrs. BLACK, Mr. REED, Mr. KELLY of Pennsylvania, Mr. RENACCI, Mrs. NOEM, Mr. HOLDING, Mr. SMITH of Missouri, Mr. RICE of South Carolina, Mr. SCHWEIKERT, Mrs. WALORSKI, Mr. CURBELO of Florida, Mr. BISHOP of Michigan, Mr. LAHOOD, and Mr. WENSTRUP) 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 make permanent certain provisions of the Tax Cuts and Jobs Act affecting individuals, families, and small businesses.

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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Protecting Family and Small Business Tax Cuts Act of
6 2018”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
 2 wise expressly provided, whenever in this Act an amend-
 3 ment or repeal is expressed in terms of an amendment
 4 to, or repeal of, a section or other provision, the reference
 5 shall be considered to be made to a section or other provi-
 6 sion of the Internal Revenue Code of 1986.

7 (c) REFERENCES TO THE TAX CUTS AND JOBS
 8 ACT.—Title I of Public Law 115–97 may be cited as the
 9 “Tax Cuts and Jobs Act”.

10 (d) TABLE OF CONTENTS.—The table of contents of
 11 this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—INDIVIDUAL REFORM MADE PERMANENT

Subtitle A—Rate Reform

Sec. 101. Modification of rates.

Subtitle B—Deduction for Qualified Business Income of Pass-Thru Entities

Sec. 111. Deduction for qualified business income.

Sec. 112. Limitation on losses for taxpayers other than corporations.

Subtitle C—Tax Benefits for Families and Individuals

Sec. 121. Increase in standard deduction.

Sec. 122. Increase in and modification of child tax credit.

Sec. 123. Increased limitation for certain charitable contributions.

Sec. 124. Increased contributions to ABLE accounts.

Sec. 125. Rollovers to ABLE programs from 529 programs.

Sec. 126. Treatment of certain individuals performing services in the Sinai Pe-
 ninsula of Egypt.

Sec. 127. Extension of reduction in threshold for medical expense deduction.

Subtitle D—Education

Sec. 131. Treatment of student loans discharged on account of death or dis-
 ability.

Subtitle E—Deductions and Exclusions

Sec. 141. Repeal of deduction for personal exemptions.

Sec. 142. Limitation on deduction for State and local, etc. taxes.

Sec. 143. Limitation on deduction for qualified residence interest.

- Sec. 144. Modification of deduction for personal casualty losses.
- Sec. 145. Termination of miscellaneous itemized deductions.
- Sec. 146. Repeal of overall limitation on itemized deductions.
- Sec. 147. Termination of exclusion for qualified bicycle commuting reimbursement.
- Sec. 148. Qualified moving expense reimbursement exclusion limited to members of Armed Forces.
- Sec. 149. Deduction for moving expenses limited to members of Armed Forces.
- Sec. 150. Limitation on wagering losses.

Subtitle F—Increase in Estate and Gift Tax Exemption

- Sec. 151. Increase in estate and gift tax exemption.

TITLE II—INCREASED EXEMPTION FOR ALTERNATIVE MINIMUM TAX MADE PERMANENT

- Sec. 201. Increased exemption for individuals.

1 **TITLE I—INDIVIDUAL REFORM**
 2 **MADE PERMANENT**
 3 **Subtitle A—Rate Reform**

4 **SEC. 101. MODIFICATION OF RATES.**

5 (a) MARRIED INDIVIDUALS FILING JOINT RETURNS
 6 AND SURVIVING SPOUSES.—Section 1(a) is amended by
 7 striking the table contained therein and inserting the fol-
 8 lowing:

“If taxable income is:	The tax is:
Not over \$19,050	10% of taxable income.
Over \$19,050 but not over \$77,400.	\$1,905, plus 12% of the excess over \$19,050.
Over \$77,400 but not over \$165,000.	\$8,907, plus 22% of the excess over \$77,400.
Over \$165,000 but not over \$315,000.	\$28,179, plus 24% of the excess over \$165,000.
Over \$315,000 but not over \$400,000.	\$64,179, plus 32% of the excess over \$315,000.
Over \$400,000 but not over \$600,000.	\$91,379, plus 35% of the excess over \$400,000.
Over \$600,000	\$161,379, plus 37% of the excess over \$600,000.”.

1 (b) HEAD OF HOUSEHOLDS.—Section 1(b) is amend-
 2 ed by striking the table contained therein and inserting
 3 the following:

“If taxable income is:	The tax is:
Not over \$13,600	10% of taxable income.
Over \$13,600 but not over \$51,800.	\$1,360, plus 12% of the excess over \$13,600.
Over \$51,800 but not over \$82,500.	\$5,944, plus 22% of the excess over \$51,800.
Over \$82,500 but not over \$157,500.	\$12,698, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000.	\$30,698, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000.	\$44,298, plus 35% of the excess over \$200,000.
Over \$500,000	\$149,298, plus 37% of the excess over \$500,000.”.

4 (c) UNMARRIED INDIVIDUALS OTHER THAN SUR-
 5 VIVING SPOUSES AND HEADS OF HOUSEHOLD.—Section
 6 1(c) is amended by striking the table contained therein
 7 and inserting the following:

“If taxable income is:	The tax is:
Not over \$9,525	10% of taxable income.
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500.	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500.	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000.	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000.	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$500,000	\$150,689.50, plus 37% of the excess over \$500,000.”.

8 (d) MARRIED INDIVIDUALS FILING SEPARATE RE-
 9 TURNS.—Section 1(d) is amended by striking the table
 10 contained therein and inserting the following:

“If taxable income is:	The tax is:
Not over \$9,525	10% of taxable income.

“If taxable income is:	The tax is:
Over \$9,525 but not over \$38,700	\$952.50, plus 12% of the excess over \$9,525.
Over \$38,700 but not over \$82,500.	\$4,453.50, plus 22% of the excess over \$38,700.
Over \$82,500 but not over \$157,500.	\$14,089.50, plus 24% of the excess over \$82,500.
Over \$157,500 but not over \$200,000.	\$32,089.50, plus 32% of the excess over \$157,500.
Over \$200,000 but not over \$500,000.	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$500,000	\$150,689.50, plus 37% of the excess over \$500,000.”.

1 (e) ESTATES AND TRUSTS.—Section 1(e) is amended
2 by striking the table contained therein and inserting the
3 following:

“If taxable income is:	The tax is:
Not over \$2,550	10% of taxable income.
Over \$2,550 but not over \$9,150 ..	\$255, plus 24% of the excess over \$2,550.
Over \$9,150 but not over \$12,500	\$1,839, plus 35% of the excess over \$9,150.
Over \$12,500	\$3,011.50, plus 37% of the excess over \$12,500.”.

4 (f) INFLATION ADJUSTMENTS.—Section 1(f) is
5 amended—

6 (1) by striking “1993” in paragraph (1) and in-
7 sserting “2018”;

8 (2) by amending paragraph (2)(A) to read as
9 follows:

10 “(A) by increasing the minimum and max-
11 imum dollar amounts for each bracket for
12 which a tax is imposed under such table by the
13 cost-of-living adjustment for such calendar year,
14 determined under this subsection for such cal-

1 endar year by substituting ‘2017’ for ‘2016’ in
2 paragraph (3)(A)(ii),”;

3 (3) in paragraph (7)(B), by striking all that
4 precedes “(other than with respect to” and inserting
5 the following:

6 “(B) SPECIAL RULE.—In the case of a
7 table prescribed in lieu of the table contained in
8 subsection (b), (c), or (d), subparagraph (A)”,
9 (4) by striking paragraph (8); and

10 (5) in the heading, by striking “PHASEOUT OF
11 MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-
12 JUSTMENTS” and inserting “ADJUSTMENTS”.

13 (g) SPECIAL RULES FOR CERTAIN CHILDREN WITH
14 UNEARNED INCOME.—

15 (1) IN GENERAL.—Section 1(g) is amended by
16 striking all that precedes paragraph (2) and insert-
17 ing the following:

18 “(g) SPECIAL RULES FOR CERTAIN CHILDREN WITH
19 UNEARNED INCOME.—

20 “(1) IN GENERAL.—In the case of any child to
21 whom this subsection applies—

22 “(A) MODIFICATIONS TO APPLICABLE
23 RATE BRACKETS.—In determining the amount
24 of tax imposed by this section for the taxable
25 year on such child, the income tax table other-

1 wise applicable under this section to such child
2 shall be applied with the following modifica-
3 tions:

4 “(i) 24-PERCENT BRACKET.—The
5 maximum taxable income which is taxed at
6 a rate below 24 percent shall not be more
7 than the sum of—

8 “(I) the earned taxable income of
9 such child, plus

10 “(II) the minimum taxable in-
11 come for the 24-percent bracket in the
12 table under subsection (e) (as ad-
13 justed under subsection (f)) for the
14 taxable year.

15 “(ii) 35-PERCENT BRACKET.—The
16 maximum taxable income which is taxed at
17 a rate below 35 percent shall not be more
18 than the sum of—

19 “(I) the earned taxable income of
20 such child, plus

21 “(II) the minimum taxable in-
22 come for the 35-percent bracket in the
23 table under subsection (e) (as ad-
24 justed under subsection (f)) for the
25 taxable year.

1 “(iii) 37-PERCENT BRACKET.—The
2 maximum taxable income which is taxed at
3 a rate below 37 percent shall not be more
4 than the sum of—

5 “(I) the earned taxable income of
6 such child, plus

7 “(II) the minimum taxable in-
8 come for the 37-percent bracket in the
9 table under subsection (e) (as ad-
10 justed under subsection (f)) for the
11 taxable year.

12 “(B) COORDINATION WITH CAPITAL GAINS
13 RATES.—For purposes of applying section
14 1(h)—

15 “(i) the maximum zero rate amount
16 shall not be more than the sum of—

17 “(I) the earned taxable income of
18 such child, plus

19 “(II) the amount in effect under
20 subsection (h)(13) for the taxable
21 year, and

22 “(ii) the maximum 15-percent rate
23 amount shall not be more than the sum
24 of—

1 “(I) the earned taxable income of
2 such child, plus

3 “(II) the amount in effect under
4 subsection (h)(12)(D) for the taxable
5 year.”.

6 (2) EARNED TAXABLE INCOME.—Section
7 1(g)(3) is amended to read as follows:

8 “(3) EARNED TAXABLE INCOME.—For purposes
9 of this subsection, the term ‘earned taxable income’
10 means, with respect to any child for any taxable
11 year, the taxable income of such child reduced (but
12 not below zero) by the net unearned income of such
13 child.”.

14 (h) APPLICATION OF INCOME TAX BRACKETS TO
15 CAPITAL GAINS BRACKETS.—Section 1(h) is amended—

16 (1) in paragraph (1)(B)(i), by striking “25 per-
17 cent” and inserting “22 percent”;

18 (2) in paragraph (1)(C)(ii)(I), by striking
19 “which would (without regard to this paragraph) be
20 taxed at a rate below 39.6 percent” and inserting
21 “below the maximum 15-percent rate amount”; and

22 (3) by adding at the end the following new
23 paragraphs:

1 “(12) MAXIMUM 15-PERCENT RATE AMOUNT
2 DEFINED.—For purposes of this subsection, the
3 maximum 15-percent rate amount shall be—

4 “(A) in the case of a joint return or sur-
5 viving spouse (as defined in section 2(a)),
6 \$479,000 ($\frac{1}{2}$ such amount in the case of a
7 married individual filing a separate return),

8 “(B) in the case of an individual who is
9 the head of a household (as defined in section
10 2(b)), \$452,400,

11 “(C) in the case of any other individual
12 (other than an estate or trust), \$425,800, and

13 “(D) in the case of an estate or trust,
14 \$12,700.

15 “(13) DETERMINATION OF 0 PERCENT RATE
16 BRACKET FOR ESTATES AND TRUSTS.—In the case
17 of any estate or trust, paragraph (1)(B) shall be ap-
18 plied by treating the amount determined in clause (i)
19 thereof as being equal to \$2,600.

20 “(14) INFLATION ADJUSTMENT.—

21 “(A) IN GENERAL.—In the case of any
22 taxable year beginning after 2018, each of the
23 dollar amounts in paragraphs (12) and (13)
24 shall be increased by an amount equal to—

25 “(i) such dollar amount, multiplied by

1 “(ii) the cost-of-living adjustment de-
2 termined under subsection (f)(3) for the
3 calendar year in which the taxable year be-
4 gins, determined by substituting ‘calendar
5 year 2017’ for ‘calendar year 2016’ in sub-
6 paragraph (A)(ii) thereof.

7 “(B) ROUNDING.—If any increase under
8 subparagraph (A) is not a multiple of \$50, such
9 increase shall be rounded to the next lowest
10 multiple of \$50.”.

11 (i) APPLICATION OF SECTION 15.—

12 (1) IN GENERAL.—Subsection (a) of section 15
13 is amended by striking “If any rate of tax” and in-
14 serting “In the case of a corporation, if any rate of
15 tax”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) Section 15 is amended by striking sub-
18 sections (d), (e), and (f).

19 (B) Section 6013(c) is amended by strik-
20 ing “sections 15, 443, and 7851(a)(1)(A)” and
21 inserting “section 443”.

22 (C) The heading of section 15 is amended
23 by inserting “**ON CORPORATIONS**” after “**EF-**
24 **FFECT OF CHANGES**”.

1 (D) The table of sections for part III of
 2 subchapter A of chapter 1 is amended by strik-
 3 ing the item relating to section 15 and inserting
 4 the following new item:

“Sec. 15. Effect of changes on corporations.”.

5 (j) CONFORMING AMENDMENTS.—

6 (1) Section 1 is amended by striking sub-
 7 sections (i) and (j).

8 (2) Section 3402(q)(1) is amended by striking
 9 “third lowest” and inserting “fourth lowest”.

10 (k) EFFECTIVE DATE.—

11 (1) IN GENERAL.—The amendments made by
 12 this section shall apply to taxable years beginning
 13 after December 31, 2017.

14 (2) APPLICATION OF SECTION 15.—Section 15
 15 of the Internal Revenue Code of 1986 shall not
 16 apply to any change in a rate of tax by reason of—

17 (A) section 1(j) of such Code (as in effect
 18 before its repeal by this section); or

19 (B) any amendment made by this Act.

20 **Subtitle B—Deduction for Quali-**
 21 **fied Business Income of Pass-**
 22 **Thru Entities**

23 **SEC. 111. DEDUCTION FOR QUALIFIED BUSINESS INCOME.**

24 (a) IN GENERAL.—Section 199A is amended by
 25 striking subsection (i).

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 112. LIMITATION ON LOSSES FOR TAXPAYERS OTHER**
5 **THAN CORPORATIONS.**

6 (a) IN GENERAL.—Section 461 is amended—

7 (1) by amending subsection (l)(1) to read as
8 follows:

9 “(1) LIMITATION.—In the case of a taxpayer
10 other than a corporation, any excess business loss of
11 the taxpayer for the taxable year shall not be al-
12 lowed.”; and

13 (2) by striking subsection (j) and redesignating
14 subsections (k) and (l) (as amended) as subsections
15 (j) and (k), respectively.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 58(a)(2)(A) is amended by striking
18 “461(k)” and inserting “461(j)”.

19 (2) Section 461(i)(4) is amended by striking
20 “subsection (k)” and inserting “subsection (j)”.

21 (3) Section 464(d)(2)(B)(iii) is amended by
22 striking “section 461(k)(2)(E)” and inserting “sec-
23 tion 461(j)(2)(E)”.

1 (4) Subparagraphs (B) and (C) of section
2 1256(e)(3) are each amended by striking “section
3 461(k)(4)” and inserting “section 461(j)(4)”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2017.

7 **Subtitle C—Tax Benefits for** 8 **Families and Individuals**

9 **SEC. 121. INCREASE IN STANDARD DEDUCTION.**

10 (a) IN GENERAL.—Section 63(c)(2) is amended—

11 (1) by striking “\$4,400” in subparagraph (B)
12 and inserting “\$18,000”; and

13 (2) by striking “\$3,000” in subparagraph (C)
14 and inserting “\$12,000”.

15 (b) INFLATION ADJUSTMENT.—Section 63(c)(4) is
16 amended to read as follows:

17 “(4) ADJUSTMENTS FOR INFLATION.—

18 “(A) IN GENERAL.—In the case of a tax-
19 able year beginning after 2018, each dollar
20 amount in paragraph (2)(B), (2)(C), or (5) or
21 subsection (f) shall be increased by an amount
22 equal to—

23 “(i) such dollar amount, multiplied by

24 “(ii) the cost-of-living adjustment de-
25 termined under section 1(f)(3) for the cal-

1 endar year in which the taxable year be-
2 gins, determined by substituting for ‘2016’
3 in subparagraph (A)(ii) thereof—

4 “(I) in the case of the dollar
5 amounts contained in paragraph
6 (2)(B) or (2)(C), ‘2017’,

7 “(II) in the case of the dollar
8 amounts contained in paragraph
9 (5)(A) or subsection (f), ‘1987’, and

10 “(III) in the case of the dollar
11 amount contained in paragraph
12 (5)(B), ‘1997’.

13 “(B) ROUNDING.—If any increase under
14 subparagraph (A) is not a multiple of \$50, such
15 increase shall be rounded to the next lowest
16 multiple of \$50.”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 1(f)(7)(A) is amended by striking
19 “section 63(c)(4),”.

20 (2) Section 1(f)(7)(B) is amended by striking
21 “sections 63(c)(4) and” and inserting “section”.

22 (3) Section 63(c) is amended by striking para-
23 graph (7).

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

4 **SEC. 122. INCREASE IN AND MODIFICATION OF CHILD TAX**
5 **CREDIT.**

6 (a) IN GENERAL.—Section 24 is amended by striking
7 subsections (a), (b), and (c) and inserting the following
8 new subsections:

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
10 lowed as a credit against the tax imposed by this chapter
11 for the taxable year an amount equal to the sum of—

12 “(1) \$2,000 for each qualifying child of the tax-
13 payer, and

14 “(2) \$500 for each qualifying dependent (other
15 than a qualifying child) of the taxpayer.

16 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
17 COME.—The amount of the credit allowable under sub-
18 section (a) shall be reduced (but not below zero) by \$50
19 for each \$1,000 (or fraction thereof) by which the tax-
20 payer’s modified adjusted gross income exceeds \$400,000
21 in the case of a joint return (\$200,000 in any other case).
22 For purposes of the preceding sentence, the term ‘modi-
23 fied adjusted gross income’ means adjusted gross income
24 increased by any amount excluded from gross income
25 under section 911, 931, or 933.

1 “(c) QUALIFYING CHILD; QUALIFYING DEPEND-
2 ENT.—For purposes of this section—

3 “(1) QUALIFYING CHILD.—The term ‘qualifying
4 child’ means any qualifying dependent of the tax-
5 payer—

6 “(A) who is a qualifying child (as defined
7 in section 7706(c)) of the taxpayer,

8 “(B) who has not attained age 17 at the
9 close of the calendar year in which the taxable
10 year of the taxpayer begins, and

11 “(C) whose name and social security num-
12 ber are included on the taxpayer’s return of tax
13 for the taxable year.

14 “(2) QUALIFYING DEPENDENT.—The term
15 ‘qualifying dependent’ means any dependent of the
16 taxpayer (as defined in section 7706 without regard
17 to all that follows ‘resident of the United States’ in
18 section 7706(b)(3)(A)) whose name and TIN are in-
19 cluded on the taxpayer’s return of tax for the tax-
20 able year.

21 “(3) SOCIAL SECURITY NUMBER DEFINED.—
22 For purposes of this subsection, the term ‘social se-
23 curity number’ means, with respect to a return of
24 tax, a social security number issued to an individual

1 by the Social Security Administration, but only if
2 the social security number is issued—

3 “(A) to a citizen of the United States or
4 pursuant to subclause (I) (or that portion of
5 subclause (III) that relates to subclause (I)) of
6 section 205(c)(2)(B)(i) of the Social Security
7 Act, and

8 “(B) on or before the due date of filing
9 such return.”.

10 (b) PORTION OF CREDIT REFUNDABLE.—

11 (1) IN GENERAL.—Section 24(d)(1)(A) is
12 amended to read as follows:

13 “(A) the credit which would be allowed
14 under this section determined—

15 “(i) by substituting ‘\$1,400’ for
16 ‘\$2,000’ in subsection (a)(1),

17 “(ii) without regard to subsection
18 (a)(2), and

19 “(iii) without regard to this subsection
20 and the limitation under section 26(a),
21 or”.

22 (2) MODIFICATION OF LIMITATION BASED ON
23 EARNED INCOME.—Section 24(d)(1)(B)(i) is amend-
24 ed by striking “\$3,000” and inserting “\$2,500”.

1 (3) INFLATION ADJUSTMENT.—Section 24(d) is
2 amended by inserting after paragraph (3) the fol-
3 lowing new paragraph:

4 “(4) ADJUSTMENT FOR INFLATION.—

5 “(A) IN GENERAL.—In the case of a tax-
6 able year beginning after 2018, the \$1,400
7 amount in paragraph (1)(A)(i) shall be in-
8 creased by an amount equal to—

9 “(i) such dollar amount, multiplied by

10 “(ii) the cost-of-living adjustment de-
11 termined under section 1(f)(3) for the cal-
12 endar year in which the taxable year be-
13 gins, determined by substituting ‘2017’ for
14 ‘2016’ in subparagraph (A)(ii) thereof.

15 “(B) ROUNDING.—If any increase under
16 subparagraph (A) is not a multiple of \$100,
17 such increase shall be rounded to the next low-
18 est multiple of \$100.

19 “(C) LIMITATION.—The amount of any in-
20 crease under subparagraph (A) (after the appli-
21 cation of subparagraph (B)) shall not exceed
22 \$600.”.

23 (4) CONFORMING AMENDMENTS.—

24 (A) Section 24(e) is amended to read as
25 follows:

1 “(e) TAXPAYER IDENTIFICATION REQUIREMENT.—
2 No credit shall be allowed under this section if the identi-
3 fying number of the taxpayer was issued after the due date
4 for filing the return of tax for the taxable year.”.

5 (B) Section 24 is amended by striking sub-
6 section (h).

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2017.

10 **SEC. 123. INCREASED LIMITATION FOR CERTAIN CHARIT-**
11 **TABLE CONTRIBUTIONS.**

12 (a) IN GENERAL.—Section 170(b)(1)(G) is amended
13 to read as follows:

14 “(G) CASH CONTRIBUTIONS.—

15 “(i) IN GENERAL.—Any contribution
16 of cash to an organization described in
17 subparagraph (A) shall be allowed to the
18 extent that the aggregate of such contribu-
19 tions does not exceed 60 percent of the
20 taxpayer’s contribution base for the taxable
21 year, reduced by the aggregate amount of
22 contributions allowable under subpara-
23 graph (A) for such taxpayer for such year.

24 “(ii) CARRYOVER.—If the aggregate
25 amount of contributions described in clause

1 (i) exceeds the limitation of clause (i), such
2 excess shall be treated (in a manner con-
3 sistent with the rules of subsection (d)(1))
4 as a charitable contribution to which clause
5 (i) applies in each of the 5 succeeding
6 years in order of time.”.

7 (b) COORDINATION WITH LIMITATIONS ON OTHER
8 CONTRIBUTIONS.—

9 (1) COORDINATION WITH 50 PERCENT LIMITA-
10 TION.—Section 170(b)(1)(A) is amended by striking
11 “Any charitable contribution” and inserting “Any
12 charitable contribution other than a contribution de-
13 scribed in subparagraph (G)”.

14 (2) COORDINATION WITH 30 PERCENT LIMITA-
15 TION.—Section 170(b)(1)(B) is amended—

16 (A) in the matter preceding clause (i), by
17 striking “to which subparagraph (A) applies”
18 and inserting “to which subparagraph (A) or
19 (G) applies”;

20 (B) by amending clause (ii) to read as fol-
21 lows:

22 “(ii) the excess of—

23 “(I) the sum of 50 percent of the
24 taxpayer’s contribution base for the
25 taxable year, plus so much of the

1 amount of charitable contributions al-
 2 lowable under subparagraph (G) as
 3 does not exceed 10 percent of such
 4 contribution base, over

5 “(II) the amount of charitable
 6 contributions allowable under sub-
 7 paragraphs (A) and (G) (determined
 8 without regard to subparagraph
 9 (C)).”; and

10 (C) in the matter following clause (ii), by
 11 striking “(to which subparagraph (A) does not
 12 apply)” and inserting “(to which neither sub-
 13 paragraph (A) nor (G) applies)”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to contributions made in taxable
 16 years beginning after December 31, 2017.

17 **SEC. 124. INCREASED CONTRIBUTIONS TO ABLE AC-**
 18 **COUNTS.**

19 (a) INCREASE IN LIMITATION FOR CONTRIBUTIONS
 20 FROM COMPENSATION OF INDIVIDUALS WITH DISABIL-
 21 ITIES.—Section 529A(b)(2)(B)(ii) is amended by striking
 22 “before January 1, 2026”.

23 (b) ALLOWANCE OF SAVER’S CREDIT FOR ABLE
 24 CONTRIBUTIONS BY ACCOUNT HOLDER.—Section

1 25B(d)(1)(D) is amended by striking “made before Janu-
2 ary 1, 2026,”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2017.

6 **SEC. 125. ROLLOVERS TO ABLE PROGRAMS FROM 529 PRO-**
7 **GRAMS.**

8 (a) IN GENERAL.—Section 529(e)(3)(C)(i)(III) is
9 amended by striking “before January 1, 2026,”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to distributions after December 31,
12 2017.

13 **SEC. 126. TREATMENT OF CERTAIN INDIVIDUALS PER-**
14 **FORMING SERVICES IN THE SINAI PENIN-**
15 **SULA OF EGYPT.**

16 (a) IN GENERAL.—Section 112(c)(2) is amended—

17 (1) by striking “means any area” and inserting
18 “means—

19 “(A) any area”; and

20 (2) by striking the period at the end and insert-
21 ing “, and

22 “(B) the Sinai Peninsula of Egypt.”.

23 (b) PERIOD OF TREATMENT.—Section 112(c)(3) is
24 amended—

1 (1) by striking “only if performed” and insert-
2 ing “only if—

3 “(A) in the case of an area described in
4 paragraph (2)(A), such service is performed”;
5 and

6 (2) by striking the period at the end and insert-
7 ing “; and

8 “(B) in the case of the area described in
9 paragraph (2)(B), such service is performed
10 during any period with respect to which one or
11 more members of the Armed Forces of the
12 United States are entitled to special pay under
13 section 310 of title 37, United States Code (re-
14 lating to special pay; duty subject to hostile fire
15 or imminent danger), for service performed in
16 such area.”.

17 (c) CONFORMING AMENDMENT.—The Tax Cuts and
18 Job Act is amended by striking section 11026.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply with respect to services performed
21 on or after the date of the enactment of this Act.

22 **SEC. 127. EXTENSION OF REDUCTION IN THRESHOLD FOR**
23 **MEDICAL EXPENSE DEDUCTION.**

24 (a) IN GENERAL.—Section 213(a) is amended by in-
25 serting “(7.5 percent in the case of any taxable year begin-

1 ning after December 31, 2018, and ending before January
2 1, 2021)” after “10 percent”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 56(b)(1) is amended by striking
5 subparagraph (B) and by redesignating subpara-
6 graphs (C) through (F) as subparagraphs (B)
7 through (E), respectively.

8 (2) Section 213 is amended by striking sub-
9 section (f).

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2018.

13 **Subtitle D—Education**

14 **SEC. 131. TREATMENT OF STUDENT LOANS DISCHARGED** 15 **ON ACCOUNT OF DEATH OR DISABILITY.**

16 (a) IN GENERAL.—Section 108(f)(5) is amended by
17 striking “after December 31, 2017, and before January
18 1, 2026”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to discharges of indebtedness after
21 December 31, 2017.

1 **Subtitle E—Deductions and** 2 **Exclusions**

3 **SEC. 141. REPEAL OF DEDUCTION FOR PERSONAL EXEMP-** 4 **TIONS.**

5 (a) **IN GENERAL.**—Part V of subchapter B of chapter
6 1 is hereby repealed.

7 (b) **DEFINITION OF DEPENDENT RETAINED.**—Sec-
8 tion 152, prior to the repeal made by subsection (a), is
9 hereby redesignated as section 7706 and moved to the end
10 of chapter 79.

11 (c) **APPLICATION TO TRUSTS AND ESTATES.**—Sec-
12 tion 642(b) is amended—

13 (1) in paragraph (2)(C)—

14 (A) in clause (i), by striking “the exemp-
15 tion amount under section 151(d)” and all that
16 follows through the period at the end and in-
17 serting “the dollar amount in effect under sec-
18 tion 7706(d)(1)(B).”; and

19 (B) by striking clause (iii);

20 (2) by striking paragraph (3); and

21 (3) by striking “**DEDUCTION FOR PERSONAL**
22 **EXEMPTION**” in the heading thereof and inserting
23 “**BASIC DEDUCTION**”.

24 (d) **APPLICATION TO NONRESIDENT ALIENS.**—Sec-
25 tion 873(b) is amended by striking paragraph (3).

1 (e) MODIFICATION OF RETURN REQUIREMENT.—

2 (1) IN GENERAL.—Section 6012(a)(1) is
3 amended to read as follows:

4 “(1) Every individual who has gross income for
5 the taxable year, except that a return shall not be
6 required of—

7 “(A) an individual who is not married (de-
8 termined by applying section 7703) and who
9 has gross income for the taxable year which
10 does not exceed the standard deduction applica-
11 ble to such individual for such taxable year
12 under section 63, or

13 “(B) an individual entitled to make a joint
14 return if—

15 “(i) the gross income of such indi-
16 vidual, when combined with the gross in-
17 come of such individual’s spouse, for the
18 taxable year does not exceed the standard
19 deduction which would be applicable for
20 such taxable year under section 63 if such
21 individual and such individual’s spouse
22 made a joint return,

23 “(ii) such individual’s spouse does not
24 make a separate return, and

1 “(iii) neither such individual nor such
2 individual’s spouse is an individual de-
3 scribed in section 63(c)(4) who has income
4 (other than earned income) in excess of the
5 amount in effect under section
6 63(c)(4)(A).”.

7 (2) BANKRUPTCY ESTATES.—Section
8 6012(a)(8) is amended by striking “the sum of the
9 exemption amount plus the basic standard deduction
10 under section 63(c)(2)(D)” and inserting “the
11 standard deduction in effect under section
12 63(c)(1)(B)”.

13 (3) CONFORMING AMENDMENT.—Section 6012
14 is amended by striking subsection (f).

15 (f) CONFORMING AMENDMENTS.—

16 (1) Section 1(f)(7), as amended by section 121,
17 is amended—

18 (A) by striking “, section 68(b)(2) or sec-
19 tion 151(d)(4)” in subparagraph (A) and in-
20 serting “or section 68(b)(2)”; and

21 (B) by striking “(other than with respect
22 to section 151(d)(4)(A))” in subparagraph (B).

23 (2) Section 2(a)(1)(B) is amended—

24 (A) by striking “section 152” and insert-
25 ing “section 7706”; and

1 (B) by striking “with respect to whom the
2 taxpayer is entitled to a deduction for the tax-
3 able year under section 151” and inserting
4 “whose TIN is included on the taxpayer’s re-
5 turn of tax for the taxable year”.

6 (3) Section 2(b)(1)(A)(i) is amended—

7 (A) in the matter preceding subclause
8 (I)—

9 (i) by striking “section 152(c)” and
10 inserting “section 7706(c)”; and

11 (ii) by striking “section 152(e)” and
12 inserting “section 7706(e)”; and

13 (B) in subclause (II), by striking “section
14 152(b)(2) or 152(b)(3)” and inserting “section
15 7706(b)(2) or 7706(b)(3)”.

16 (4) Section 2(b)(1)(A)(ii) is amended by strik-
17 ing “if the taxpayer is entitled to a deduction for the
18 taxable year for such person under section 151” and
19 inserting “if the taxpayer included such person’s
20 TIN on the return of tax for the taxable year”.

21 (5) Section 2(b)(1)(B) is amended by striking
22 “if the taxpayer is entitled to a deduction for the
23 taxable year for such father or mother under section
24 151” and inserting “if such father or mother is a
25 dependent of the taxpayer and the taxpayer included

1 such father or mother’s TIN on the return of tax for
2 the taxable year”.

3 (6) Section 2(b)(3)(B) is amended—

4 (A) by striking “section 152(d)(2)” in
5 clause (i) and inserting “section 7706(d)(2)”;
6 and

7 (B) by striking “section 152(d)” in clause
8 (ii) and inserting “section 7706(d)”.

9 (7) Section 21(b)(1)(A) is amended by striking
10 “section 152(a)(1)” and inserting “section
11 7706(a)(1)”.

12 (8) Section 21(b)(1)(B) is amended by striking
13 “section 152” and inserting “section 7706”.

14 (9) Section 21(e)(5)(A) is amended by striking
15 “section 152(e)” and inserting “section 7706(e)”.

16 (10) Section 21(e)(5) is amended by striking
17 “section 152(e)(4)(A)” in the matter following sub-
18 paragraph (B) and inserting “section
19 7706(e)(4)(A)”.

20 (11) Section 21(e)(6)(A) is amended to read as
21 follows:

22 “(A) who is a dependent of either the tax-
23 payer or the taxpayer’s spouse for the taxable
24 year, or”.

1 (12) Section 21(e)(6)(B) is amended by striking
2 “section 152(f)(1)” and inserting “section
3 7706(f)(1)”.

4 (13) Section 25A(f)(1)(A)(iii) is amended by
5 striking “with respect to whom the taxpayer is al-
6 lowed a deduction under section 151”.

7 (14) Section 25A(g)(3) is amended by striking
8 “If a deduction under section 151 with respect to an
9 individual is allowed to another taxpayer” and in-
10 serting “If an individual is a dependent of another
11 taxpayer”.

12 (15) Section 25B(c)(2)(A) is amended by strik-
13 ing “any individual with respect to whom a deduc-
14 tion under section 151 is allowed to another tax-
15 payer” and inserting “any individual who is a de-
16 pendent of another taxpayer”.

17 (16) Section 25B(c)(2)(B) is amended by strik-
18 ing “section 152(f)(2)” and inserting “section
19 7706(f)(2)”.

20 (17) Section 32(c)(1)(A)(ii)(III) is amended by
21 striking “a dependent for whom a deduction is al-
22 lowable under section 151 to another taxpayer” and
23 inserting “a dependent of another taxpayer”.

24 (18) Section 32(c)(3) is amended—

25 (A) in subparagraph (A)—

1 (i) by striking “section 152(c)” and
2 inserting “section 7706(c)”; and

3 (ii) by striking “section 152(e)” and
4 inserting “section 7706(e)”;

5 (B) in subparagraph (B), by striking “un-
6 less the taxpayer is entitled to a deduction
7 under section 151 for such taxable year with re-
8 spect to such individual (or would be so entitled
9 but for section 152(e)” and inserting “if such
10 individual is not treated as a dependent of such
11 taxpayer for such taxable year by reason of sec-
12 tion 7706(b)(2) (determined without regard to
13 section 7706(e))”; and

14 (C) in subparagraph (C), by striking “sec-
15 tion 152(c)(1)(B)” and inserting “section
16 7706(c)(1)(B)”.

17 (19) Section 35(d)(1)(B) is amended by strik-
18 ing “with respect to whom the taxpayer is entitled
19 to a deduction under section 151(c)” and inserting
20 “if the taxpayer included such person’s TIN on the
21 return of tax for the taxable year”.

22 (20) Section 35(d)(2) is amended—

23 (A) by striking “section 152(e)” and in-
24 serting “section 7706(e)”; and

1 (B) by striking “section 152(e)(4)(A)” and
2 inserting “section 7706(e)(4)(A)”.

3 (21) Section 36B(b)(2)(A) is amended by strik-
4 ing “section 152” and inserting “section 7706”.

5 (22) Section 36B(b)(3)(B) is amended by strik-
6 ing “unless a deduction is allowed under section 151
7 for the taxable year with respect to a dependent” in
8 the flush matter at the end and inserting “unless
9 the taxpayer has a dependent for the taxable year
10 (and the taxpayer included such dependent’s TIN on
11 the return of tax for the taxable year)”.

12 (23) Section 36B(c)(1)(D) is amended by strik-
13 ing “with respect to whom a deduction under section
14 151 is allowable to another taxpayer” and inserting
15 “who is a dependent of another taxpayer”.

16 (24) Section 36B(d)(1) is amended by striking
17 “equal to the number of individuals for whom the
18 taxpayer is allowed a deduction under section 151
19 (relating to allowance of deduction for personal ex-
20 emptions) for the taxable year” and inserting “the
21 sum of 1 (2 in the case of a joint return) plus the
22 number of individuals who are dependents of the
23 taxpayer for the taxable year”.

24 (25) Section 36B(e)(1) is amended by striking
25 “1 or more individuals for whom a taxpayer is al-

1 lowed a deduction under section 151 (relating to al-
2 lowance of deduction for personal exemptions) for
3 the taxable year (including the taxpayer or his
4 spouse)” and inserting “1 or more of the taxpayer,
5 the taxpayer’s spouse, or any dependent of the tax-
6 payer”.

7 (26) Section 42(i)(3)(D)(ii)(I) is amended—

8 (A) by striking “section 152” and insert-
9 ing “section 7706”; and

10 (B) by striking the period at the end.

11 (27) Section 45R(e)(1)(A)(iv) is amended—

12 (A) by striking “section 152(d)(2)” and in-
13 serting “section 7706(d)(2)”; and

14 (B) by striking “section 152(d)(2)(H)”
15 and inserting “section 7706(d)(2)(H)”.

16 (28) Section 51(i)(1) is amended—

17 (A) by striking “section 152(d)(2)” in sub-
18 paragraphs (A) and (B) and inserting “section
19 7706(d)(2)”; and

20 (B) by striking “section 152(d)(2)(H)” in
21 subparagraph (C) and inserting “section
22 7706(d)(2)(H)”.

23 (29) Section 56(b)(1)(D), as amended by the
24 preceding provisions of this Act, is amended—

1 (A) by striking “, the deduction for per-
2 sonal exemptions under section 151,”; and

3 (B) by striking “AND DEDUCTION FOR
4 PERSONAL EXEMPTIONS” in the heading there-
5 of.

6 (30) Section 63(b)(2) is amended by adding
7 “and” at the end of paragraph (1), by striking para-
8 graph (2), and by redesignating paragraph (3) as
9 paragraph (2).

10 (31) Section 63(c), as amended by section 121,
11 is amended by striking paragraph (3) and redesignig-
12 nating paragraphs (4), (5), and (6) as paragraphs
13 (3), (4), and (5), respectively.

14 (32) Section 63(c)(4), as redesignated, is
15 amended—

16 (A) by striking “with respect to whom a
17 deduction under section 151 is allowable to”
18 and inserting “who is a dependent of”; and

19 (B) by striking “CERTAIN” in the heading
20 thereof.

21 (33) Section 63(d)(2) is amended by adding
22 “and” at the end of paragraph (1), by striking para-
23 graph (2), and by redesignating paragraph (3) as
24 paragraph (2).

1 (34) Section 63(f) is amended by striking all
2 that precedes paragraph (3) and inserting the fol-
3 lowing:

4 “(f) ADDITIONAL STANDARD DEDUCTION FOR THE
5 AGED AND BLIND.—

6 “(1) IN GENERAL.—For purposes of subsection
7 (c)(1), the additional standard deduction is, with re-
8 spect to a taxpayer for a taxable year, the sum of—

9 “(A) \$600 if the taxpayer has attained age
10 65 before the close of such taxable year, and

11 “(B) \$600 if the taxpayer is blind as of
12 the close of such taxable year.

13 “(2) APPLICATION TO MARRIED INDIVID-
14 UALS.—

15 “(A) JOINT RETURNS.—In the case of a
16 joint return, paragraph (1) shall be applied sep-
17 arately with respect to each spouse.

18 “(B) CERTAIN MARRIED INDIVIDUALS FIL-
19 ING SEPARATELY.—In the case of a married in-
20 dividual filing a separate return, if—

21 “(i) the spouse of such individual has
22 no gross income for the calendar year in
23 which the taxable year of such individual
24 begins,

1 “(ii) such spouse is not the dependent
2 of another taxpayer for a taxable year be-
3 ginning in the calendar year in which such
4 individual’s taxable year begins, and

5 “(iii) the TIN of such spouse is in-
6 cluded on such individual’s return of tax
7 for the taxable year,

8 the additional standard deduction shall be de-
9 termined in the same manner as if such indi-
10 vidual and such individual’s spouse filed a joint
11 return.”.

12 (35) Section 63(f)(3) is amended by striking
13 “paragraphs (1) and (2)” and inserting “subpara-
14 graphs (A) and (B) of paragraph (1)”.

15 (36) Section 72(t)(2)(D)(i)(III) is amended by
16 striking “section 152” and inserting “section 7706”.

17 (37) Section 72(t)(7)(A)(iii) is amended by
18 striking “section 152(f)(1)” and inserting “section
19 7706(f)(1)”.

20 (38) Section 105(b) is amended—

21 (A) by striking “as defined in section 152”
22 and inserting “as defined in section 7706”;

23 (B) by striking “section 152(f)(1)” and in-
24 serting “section 7706(f)(1)”; and

1 (C) by striking “section 152(e)” and in-
2 serting “section 7706(e)”.

3 (39) Section 105(c)(1) is amended by striking
4 “section 152” and inserting “section 7706”.

5 (40) Section 125(e)(1)(D) is amended by strik-
6 ing “section 152” and inserting “section 7706”.

7 (41) Section 129(c)(1) is amended to read as
8 follows:

9 “(1) who is a dependent of such employee or of
10 such employee’s spouse, or”.

11 (42) Section 129(c)(2) is amended by striking
12 “section 152(f)(1)” and inserting “section
13 7706(f)(1)”.

14 (43) Section 132(h)(2)(B) is amended—

15 (A) by striking “section 152(f)(1)” and in-
16 serting “section 7706(f)(1)”; and

17 (B) by striking “section 152(e)” and in-
18 serting “section 7706(e)”.

19 (44) Section 139D(e)(5) is amended by striking
20 “section 152” and inserting “section 7706”.

21 (45) Section 139E(c)(2) is amended by striking
22 “section 152” and inserting “section 7706”.

23 (46) Section 162(l)(1)(D) is amended by strik-
24 ing “section 152(f)(1)” and inserting “section
25 7706(f)(1)”.

1 (47) Section 170(g)(1) is amended by striking
2 “section 152” and inserting “section 7706”.

3 (48) Section 170(g)(3) is amended by striking
4 “section 152(d)(2)” and inserting “section
5 7706(d)(2)”.

6 (49) Section 172(d) is amended by striking
7 paragraph (3).

8 (50) Section 213(a) is amended by striking
9 “section 152” and inserting “section 7706”.

10 (51) Section 213(d)(5) is amended by striking
11 “section 152(e)” and inserting “section 7706(e)”.

12 (52) Section 213(d)(11) is amended by striking
13 “section 152(d)(2)” in the matter following subpara-
14 graph (B) and inserting “section 7706(d)(2)”.

15 (53) Section 220(b)(6) is amended by striking
16 “with respect to whom a deduction under section
17 151 is allowable to” and inserting “who is a depend-
18 ent of”.

19 (54) Section 220(d)(2)(A) is amended by strik-
20 ing “section 152” and inserting “section 7706”.

21 (55) Section 221(d)(4) is amended by striking
22 “section 152” and inserting “section 7706”.

23 (56) Section 222(c)(3) is amended by striking
24 “with respect to whom a deduction under section

1 151 is allowable to” and inserting “who is a depend-
2 ent of”.

3 (57) Section 223(b)(6) is amended by striking
4 “with respect to whom a deduction under section
5 151 is allowable to” and inserting “who is a depend-
6 ent of”.

7 (58) Section 223(d)(2)(A) is amended by strik-
8 ing “section 152” and inserting “section 7706”.

9 (59) Section 401(h) is amended by striking
10 “section 152(f)(1)” in the last sentence and insert-
11 ing “section 7706(f)(1)”.

12 (60) Section 402(l)(4)(D) is amended by strik-
13 ing “section 152” and inserting “section 7706”.

14 (61) Section 409A(a)(2)(B)(ii)(I) is amended
15 by striking “section 152(a)” and inserting “section
16 7706(a)”.

17 (62) Section 441(f)(2)(B)(iii) is amended by
18 striking “, but only the adjusted amount of the de-
19 ductions for personal exemptions as described in sec-
20 tion 443(c)”.

21 (63) Section 443 is amended—

22 (A) in subsection (b)—

23 (i) by striking paragraph (3); and

1 (ii) by striking “modified taxable in-
2 come” and inserting “taxable income” each
3 place such term appears;

4 (B) by striking subsection (c); and

5 (C) by redesignating subsections (d) and
6 (e) as subsections (c) and (d), respectively.

7 (64) Section 501(c)(9) is amended by striking
8 “section 152(f)(1)” and inserting “section
9 7706(f)(1)”.

10 (65) Section 529(e)(2)(B) is amended by strik-
11 ing “section 152(d)(2)” and inserting “section
12 7706(d)(2)”.

13 (66) Section 529A(e)(4) is amended—

14 (A) by striking “section 152(d)(2)(B)” and
15 inserting “section 7706(d)(2)(B)”; and

16 (B) by striking “section 152(f)(1)(B)” and
17 inserting “section 7706(f)(1)(B)”.

18 (67) Section 643(a)(2) is amended—

19 (A) by striking “(relating to deduction for
20 personal exemptions)” and inserting “(relating
21 to basic deduction)”; and

22 (B) by striking “DEDUCTION FOR PER-
23 SONAL EXEMPTION” in the heading thereof and
24 inserting “BASIC DEDUCTION”.

1 (68) Section 703(a)(2) is amended by striking
2 subparagraph (A) and by redesignating subpara-
3 graphs (B) through (F) as subparagraphs (A)
4 through (E), respectively.

5 (69) Section 874 is amended by striking sub-
6 section (b) and by redesignating subsection (c) as
7 subsection (b).

8 (70) Section 891 is amended by striking “under
9 section 151 and”.

10 (71) Section 904(b)(1) is amended to read as
11 follows:

12 “(1) DEDUCTION FOR ESTATES AND TRUSTS.—
13 For purposes of subsection (a), the taxable income
14 of an estate or trust shall be computed without any
15 deduction under section 642(b).”.

16 (72) Section 931(b)(1) is amended to read as
17 follows:

18 “(1) any deduction from gross income, or”.

19 (73) Section 933 is amended—

20 (A) by striking “as a deduction from his
21 gross income any deductions (other than the de-
22 duction under section 151, relating to personal
23 exemptions)” in paragraph (1) and inserting
24 “any deduction from gross income”; and

1 (B) by striking “as a deduction from his
2 gross income any deductions (other than the de-
3 duction for personal exemptions under section
4 151)” in paragraph (2) and inserting “any de-
5 duction from gross income”.

6 (74) Section 1212(b)(2)(B)(ii) is amended to
7 read as follows:

8 “(ii) in the case of an estate or trust,
9 the deduction allowed for such year under
10 section 642(b).”.

11 (75) Section 1361(c)(1)(C) is amended by strik-
12 ing “section 152(f)(1)(C)” and inserting “section
13 7706(f)(1)(C)”.

14 (76) Section 1402(a) is amended by striking
15 paragraph (7).

16 (77) Section 2032A(c)(7)(D) is amended by
17 striking “section 152(f)(2)” and inserting “section
18 7706(f)(2)”.

19 (78) Section 3402(m)(1) is amended by striking
20 “other than the deductions referred to in section
21 151 and”.

22 (79) Section 3402(r)(2) is amended by striking
23 “the sum of—” and all that follows and inserting
24 “the basic standard deduction (as defined in section

1 63(c)) for an individual to whom section 63(c)(2)(C)
2 applies.”.

3 (80) Section 5000A(b)(3)(A) is amended by
4 striking “section 152” and inserting “section 7706”.

5 (81) Section 5000A(c)(4)(A) is amended by
6 striking “the number of individuals for whom the
7 taxpayer is allowed a deduction under section 151
8 (relating to allowance of deduction for personal ex-
9 emptions) for the taxable year” and inserting “the
10 sum of 1 (2 in the case of a joint return) plus the
11 number of the taxpayer’s dependents for the taxable
12 year”.

13 (82) Section 6013(b)(3)(A) is amended—

14 (A) by striking “had less than the exemp-
15 tion amount of gross income” in clause (ii) and
16 inserting “had no gross income”;

17 (B) by striking “had gross income of the
18 exemption amount or more” in clause (iii) and
19 inserting “had any gross income”; and

20 (C) by striking the flush language fol-
21 lowing clause (iii).

22 (83) Section 6014(a) is amended by striking
23 “section 6012(a)(1)(C)(i)” and inserting “section
24 6012(a)(1)(B)(iii)”.

1 (84) Section 6014(b)(4) is amended by striking
2 “63(c)(5)” and inserting “63(c)(4)”.

3 (85) Section 6103(l)(21)(A)(iii) is amended to
4 read as follows:

5 “(iii) the number of the taxpayer’s de-
6 pendents,”.

7 (86) Section 6213(g)(2)(H) is amended by
8 striking “section 21 (relating to expenses for house-
9 hold and dependent care services necessary for gain-
10 ful employment) or section 151 (relating to allow-
11 ance of deductions for personal exemptions)” and in-
12 serting “subsection (a)(1)(B), (b)(1)(A)(ii), or
13 (b)(1)(B) of section 2 or section 21, 35(d)(1)(B),
14 36B(b)(3)(B), or 63(f)(2)(B)”.

15 (87) Section 6334(d) is amended—

16 (A) by amending paragraph (2) to read as
17 follows:

18 “(2) EXEMPT AMOUNT.—

19 “(A) IN GENERAL.—For purposes of para-
20 graph (1), the term ‘exempt amount’ means an
21 amount equal to—

22 “(i) the sum of the amount deter-
23 mined under subparagraph (B) and the
24 standard deduction, divided by

25 “(ii) 52.

1 “(B) AMOUNT DETERMINED.—For pur-
2 poses of subparagraph (A), the amount deter-
3 mined under this subparagraph is—

4 “(i) the dollar amount in effect under
5 section 7706(d)(1)(B), multiplied by

6 “(ii) the number of the taxpayer’s de-
7 pendents for the taxable year in which the
8 levy occurs.

9 “(C) VERIFIED STATEMENT.—Unless the
10 taxpayer submits to the Secretary a written and
11 properly verified statement specifying the facts
12 necessary to determine the proper amount
13 under subparagraph (A), subparagraph (A)
14 shall be applied as if the taxpayer were a mar-
15 ried individual filing a separate return with no
16 dependents.”; and

17 (B) by striking paragraph (4).

18 (88) Section 7702B(f)(2)(C)(iii) is amended by
19 striking “section 152(d)(2)” and inserting “section
20 7706(d)(2)”.

21 (89) Section 7703(a) is amended by striking
22 “part V of subchapter B of chapter 1 and”.

23 (90) Section 7703(b)(1) is amended by striking
24 “section 152(f)(1))” and all that follows and insert-
25 ing “section 7706(f)(1)) who is a dependent of such

1 individual for the taxable year (or would be but for
2 section 7706(e)),”.

3 (91) Section 7706(a), as redesignated by this
4 section, is amended by striking “this subtitle” and
5 inserting “subtitle A”.

6 (92)(A) Section 7706(d)(1)(B), as redesignated
7 by this section, is amended by striking “the exemp-
8 tion amount (as defined in section 151(d))” and in-
9 serting “\$4,150”.

10 (B) Section 7706(d), as redesignated by this
11 section, is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(6) INFLATION ADJUSTMENT.—In the case of
14 any taxable year beginning in a calendar year begin-
15 ning after 2018, the \$4,150 amount in paragraph
16 (1)(B) shall be increased by an amount equal to—

17 “(A) such dollar amount, multiplied by

18 “(B) the cost-of-living adjustment deter-
19 mined under section 1(c)(2)(A) for the calendar
20 year in which such taxable year begins, deter-
21 mined by substituting ‘calendar year 2017’ for
22 ‘calendar year 2016’ in clause (ii) thereof.

23 If any increase determined under the preceding sen-
24 tence is not a multiple of \$50, such increase shall
25 be rounded to the next lowest multiple of \$50.”.

1 “(ii) LIMITATION.—The aggregate
2 amount treated as acquisition indebtedness
3 for any period shall not exceed the excess
4 (if any) of—

5 “(I) \$750,00 (\$375,000, in the
6 case of a married individual filing a
7 separate return), over

8 “(II) the sum of the aggregate
9 outstanding pre-October 13, 1987, in-
10 debtedness (as defined in subpara-
11 graph (D)) plus the aggregate out-
12 standing pre-December 15, 2017, in-
13 debtedness (as defined in subpara-
14 graph (C)).”.

15 (c) TREATMENT OF INDEBTEDNESS INCURRED ON
16 OR BEFORE DECEMBER 15, 2017.—Section 163(h)(3)(C)
17 is amended to read as follows:

18 “(C) TREATMENT OF INDEBTEDNESS IN-
19 CURRED ON OR BEFORE DECEMBER 15, 2017.—

20 “(i) IN GENERAL.—In the case of any
21 pre-December 15, 2017, indebtedness, sub-
22 paragraph (B)(ii) shall not apply and the
23 aggregate amount of such indebtedness
24 treated as acquisition indebtedness for any

1 period shall not exceed the excess (if any)
2 of—

3 “(I) \$1,000,000 (\$500,000, in
4 the case of a married individual filing
5 a separate return), over

6 “(II) the aggregate outstanding
7 pre-October 13, 1987, indebtedness
8 (as defined in subparagraph (D)).

9 “(ii) PRE-DECEMBER 15, 2017, IN-
10 DEBTEDNESS.—For purposes of this sub-
11 paragraph—

12 “(I) IN GENERAL.—The term
13 ‘pre-December 15, 2017, indebted-
14 ness’ means indebtedness (other than
15 pre-October 13, 1987, indebtedness)
16 incurred on or before December 15,
17 2017.

18 “(II) BINDING WRITTEN CON-
19 TRACT EXCEPTION.—In the case of a
20 taxpayer who enters into a written
21 binding contract before December 15,
22 2017, to close on the purchase of a
23 principal residence before January 1,
24 2018, and who purchases such resi-
25 dence before April 1, 2018, the term

1 ‘pre-December 15, 2017, indebted-
2 ness’ shall include indebtedness se-
3 cured by such residence.

4 “(iii) REFINANCING INDEBTED-
5 NESS.—

6 “(I) IN GENERAL.—In the case
7 of any indebtedness which is incurred
8 to refinance indebtedness, such refi-
9 nanced indebtedness shall be treated
10 for purposes of this subparagraph as
11 incurred on the date that the original
12 indebtedness was incurred to the ex-
13 tent the amount of the indebtedness
14 resulting from such refinancing does
15 not exceed the amount of the refi-
16 nanced indebtedness.

17 “(II) LIMITATION ON PERIOD OF
18 REFINANCING.—Subclause (I) shall
19 not apply to any indebtedness after
20 the expiration of the term of the origi-
21 nal indebtedness or, if the principal of
22 such original indebtedness is not am-
23 ortized over its term, the expiration of
24 the term of the first refinancing of
25 such indebtedness (or if earlier, the

1 date which is 30 years after the date
2 of such first refinancing).”.

3 (d) COORDINATION WITH TREATMENT OF INDEBT-
4 EDNESS INCURRED ON OR BEFORE OCTOBER 13, 1987.—
5 Section 163(h)(3)(D) is amended—

6 (1) by striking clause (ii) and redesignating
7 clauses (iii) and (iv) as clauses (ii) and (iii), respec-
8 tively; and

9 (2) in clause (iii) (as so redesignated)—

10 (A) by striking “clause (iii)” in the matter
11 preceding subclause (I) and inserting “clause
12 (ii)”;

13 (B) by striking “clause (iii)(I)” in sub-
14 clauses (I) and (II) and inserting “clause
15 (ii)(I)”.

16 (e) COORDINATION WITH EXCLUSION OF INCOME
17 FROM DISCHARGE OF INDEBTEDNESS.—Section
18 108(h)(2) is amended by striking “\$1,000,000
19 (\$500,000” and inserting “\$750,000 (\$375,000”.

20 (f) CONFORMING AMENDMENT.—Section 163(h)(3)
21 is amended by striking subparagraph (F).

22 (g) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2017.

1 **SEC. 144. MODIFICATION OF DEDUCTION FOR PERSONAL**
2 **CASUALTY LOSSES.**

3 (a) IN GENERAL.—Section 165(h)(5)(A) is amended
4 by striking “in a taxable year beginning after December
5 31, 2017, and before January 1, 2026,”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 165(h)(5)(B) is amended by strik-
8 ing “for any taxable year to which subparagraph (A)
9 applies”.

10 (2) Section 165(h)(5) is amended by striking
11 “FOR TAXABLE YEARS 2018 THROUGH 2025” in the
12 heading thereof and inserting “TO LOSSES ATTRIB-
13 UTABLE TO FEDERALLY DECLARED DISASTERS”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to losses sustained in taxable years
16 beginning after December 31, 2017.

17 **SEC. 145. TERMINATION OF MISCELLANEOUS ITEMIZED DE-**
18 **DUCTIONS.**

19 (a) IN GENERAL.—Section 67 is amended—

20 (1) by amending subsection (a) to read as fol-
21 lows:

22 “(a) IN GENERAL.—In the case of an individual, mis-
23 cellaneous itemized deductions shall not be allowed.”; and

24 (2) by striking subsection (g).

25 (b) MOVEMENT OF DEFINITION OF ADJUSTED
26 GROSS INCOME FOR ESTATES AND TRUSTS.—

1 (1) Section 67 is amended by striking sub-
2 section (e).

3 (2) Section 641 is amended by adding at the
4 end the following new subsection:

5 “(d) COMPUTATION OF ADJUSTED GROSS INCOME.—

6 For purposes of this title, the adjusted gross income of
7 an estate or trust shall be computed in the same manner
8 as in the case of an individual, except that—

9 “(1) the deductions for costs which are paid or
10 incurred in connection with the administration of the
11 estate or trust and which would not have been in-
12 curred if the property were not held in such trust or
13 estate, and

14 “(2) the deductions allowable under sections
15 642(b), 651, and 661,
16 shall be treated as allowable in arriving at adjusted gross
17 income.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 62(a) is amended by striking “sub-
20 title” in the matter preceding paragraph (1) and in-
21 serting “title”.

22 (2) Section 641(c)(2)(E) is amended to read as
23 follows:

24 “(E) Section 642(c) shall not apply.”.

1 (2) Section 56(b)(1), as amended by the pre-
2 ceding provisions of this Act, is amended by striking
3 subparagraph (E).

4 (3) Section 164(b)(5)(H)(ii)(III) is amended by
5 striking “(as determined under section 68(b))”.

6 (4) Section 164(b)(5)(H) is amended by adding
7 at the end the following new clause:

8 “(iii) APPLICABLE AMOUNT DE-
9 FINED.—For purposes of clause (ii), the
10 term ‘applicable amount’ means—

11 “(I) \$300,000 in the case of a
12 joint return or a surviving spouse,

13 “(II) \$275,000 in the case of a
14 head of household,

15 “(III) \$250,000 in the case of an
16 individual who is not married and who
17 is not a surviving spouse or head of
18 household, and

19 “(IV) $\frac{1}{2}$ the amount applicable
20 under subclause (I) in the case of a
21 married individual filing a separate
22 return.

23 For purposes of this paragraph, marital
24 status shall be determined under section
25 7703. In the case of any taxable year be-

1 ginning in calendar years after 2017, each
2 of the dollar amounts in this clause shall
3 be increased by an amount equal to such
4 dollar amount, multiplied by the cost-of-liv-
5 ing adjustment determined under section
6 1(f)(3) for the calendar year in which the
7 taxable year begins, determined by sub-
8 stituting ‘2012’ for ‘2016’ in subparagraph
9 (A)(ii) thereof. If any amount after adjust-
10 ment under the preceding sentence is not
11 a multiple of \$50, such amount shall be
12 rounded to the next lowest multiple of
13 \$50.”.

14 (c) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2017.

17 **SEC. 147. TERMINATION OF EXCLUSION FOR QUALIFIED BI-**
18 **CYCLE COMMUTING REIMBURSEMENT.**

19 (a) **IN GENERAL.**—Section 132(f)(1) is amended by
20 striking subparagraph (D).

21 (b) **CONFORMING AMENDMENTS.**—

22 (1) Section 132(f)(2) is amended by adding
23 “and” at the end of subparagraph (A), striking
24 “and” at the end of subparagraph (B), and striking
25 subparagraph (C).

1 moves pursuant to a military order and incident to
2 a permanent change of station.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2017.

6 **SEC. 149. DEDUCTION FOR MOVING EXPENSES LIMITED TO**
7 **MEMBERS OF ARMED FORCES.**

8 (a) IN GENERAL.—Section 217 is amended—

9 (1) by amended subsection (a) to read as fol-
10 lows:

11 “(a) DEDUCTION ALLOWED.—There shall be allowed
12 as a deduction moving expenses paid or incurred during
13 the taxable year by a member of the Armed Forces of the
14 United States on active duty who moves pursuant to a
15 military order and incident to a permanent change of sta-
16 tion.”;

17 (2) by striking subsections (c), (d), (f), and (g)
18 and redesignating subsections (h), (i), and (j) as
19 subsections (c), (d), and (f), respectively; and

20 (3) by inserting after subsection (d), as so re-
21 designated, the following new subsection:

22 “(e) EXPENSES FURNISHED IN-KIND.—Any moving
23 and storage expenses which are furnished in-kind (or for
24 which reimbursement or an allowance is provided, but only
25 to the extent of the expenses paid or incurred)—

1 “(1) to such member, his spouse, or his depend-
2 ents, shall not be includible in gross income, and no
3 reporting with respect to such expenses shall be re-
4 quired by the Secretary of Defense or the Secretary
5 of Transportation, as the case may be, and

6 “(2) to such member’s spouse and his depend-
7 ents with regard to moving to a location other than
8 the one to which such member moves (or from a lo-
9 cation other than the one from which such member
10 moves), this section shall apply with respect to the
11 moving expenses of his spouse and dependents as if
12 his spouse commenced work as an employee at a new
13 principal place of work at such location.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Subsections (d)(3)(C) and (e) of section 23
16 are each amended by striking “section 217(h)(3)”
17 and inserting “section 217(c)(3)”.

18 (2) Section 7872(f) is amended by striking
19 paragraph (11).

20 (3) Section 217 is amended in the heading by
21 striking “**MOVING EXPENSES**” and inserting
22 “**CERTAIN MOVING EXPENSES OF MEMBERS OF**
23 **ARMED FORCES**”.

24 (4) The table of sections for part VII of sub-
25 chapter B of chapter 1 is amended by striking the

1 item relating to section 217 and inserting the fol-
2 lowing new item:

“Sec. 217. Certain moving expenses of members of Armed Forces.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2017.

6 **SEC. 150. LIMITATION ON WAGERING LOSSES.**

7 (a) **IN GENERAL.**—Section 165(d) is amended by
8 striking “in the case of taxable years beginning after De-
9 cember 31, 2017, and before January 1, 2026”.

10 (b) **EFFECTIVE DATE.**—The amendment made by
11 this section shall apply to taxable years beginning after
12 December 31, 2017.

13 **Subtitle F—Increase in Estate and**
14 **Gift Tax Exemption**

15 **SEC. 151. INCREASE IN ESTATE AND GIFT TAX EXEMPTION.**

16 (a) **IN GENERAL.**—Section 2010(c)(3) is amended in
17 subparagraph (A), by striking “\$5,000,000” and inserting
18 “\$10,000,000”.

19 (b) **CONFORMING AMENDMENTS.**—

20 (1) Section 2001(g) is amended to read as fol-
21 lows:

22 “(g) **MODIFICATIONS TO GIFT TAX PAYABLE TO RE-**
23 **FLECT DIFFERENT TAX RATES.**—For purposes of apply-
24 ing subsection (b)(2) with respect to 1 or more gifts, the
25 rates of tax under subsection (c) in effect at the decedent’s

1 death shall, in lieu of the rates of tax in effect at the time
2 of such gifts, be used both to compute—

3 “(1) the tax imposed by chapter 12 with respect
4 to such gifts, and

5 “(2) the credit allowed against such tax under
6 section 2505, including in computing—

7 “(A) the applicable credit amount under
8 section 2505(a)(1), and

9 “(B) the sum of the amounts allowed as a
10 credit for all preceding periods under section
11 2505(a)(2).”.

12 (2) Section 2010(c)(3) is amended by striking
13 subparagraph (C).

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to estates of decedents dying and
16 gifts made after December 31, 2017.

17 **TITLE II—INCREASED EXEMP-**
18 **TION FOR ALTERNATIVE MIN-**
19 **IMUM TAX MADE PERMANENT**

20 **SEC. 201. INCREASED EXEMPTION FOR INDIVIDUALS.**

21 (a) IN GENERAL.—Section 55(d)(1) is amended—

22 (1) by striking “\$78,750” in subparagraph (A)
23 and inserting “\$109,400”; and

24 (2) by striking “\$50,600” in subparagraph (B)
25 and inserting “\$70,300”.

1 (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section
2 55(d)(2) is amended—

3 (1) by striking “\$150,000” in subparagraph
4 (A) and inserting “\$1,000,000”; and

5 (2) by striking subparagraphs (B) and (C) and
6 by inserting the following new subparagraphs:

7 “(B) 50 percent of the dollar amount ap-
8 plicable under subparagraph (A) in the case of
9 a taxpayer described in paragraph (1)(B) or
10 (1)(C), and

11 “(C) \$75,000 in the case of a taxpayer de-
12 scribed in paragraph (1)(D).”.

13 (c) INFLATION ADJUSTMENT.—Section 55(d)(3) is
14 amended to read as follows:

15 “(3) INFLATION ADJUSTMENT.—In the case of
16 any taxable year beginning in a calendar year after
17 2018, each dollar amount described in clause (i) or
18 (ii) of subparagraph (B) shall be increased by an
19 amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting—

1 “(i) in the case of a dollar amount
2 contained in paragraph (1)(D) or (2)(C) or
3 in subsection (b)(1)(A), ‘calendar year
4 2011’ for ‘calendar year 2016’ in subpara-
5 graph (A)(ii) thereof, and

6 “(ii) in the case of a dollar amount
7 contained in paragraph (1)(A), (1)(B), or
8 (2)(A), ‘calendar year 2017’ for ‘calendar
9 year 2016’ in subparagraph (A)(ii) thereof.

10 Any increased amount determined under this
11 paragraph shall be rounded to the nearest mul-
12 tiple of \$100 (\$50 in the case of the dollar
13 amount contained in paragraph (2)(C)).”.

14 (d) CONFORMING AMENDMENT.—Section 55(d) is
15 amended by striking paragraph (4).

16 (e) EFFECTIVE DATE.—The amendments made by
17 this subsection shall apply to taxable years beginning after
18 December 31, 2017.

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