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(Original Signature of Member)

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.

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## IN THE HOUSE OF REPRESENTATIVES

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

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## **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,*

1 **SECTION 1. SHORT TITLE, ETC.**

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

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

11 (c) **REFERENCES TO THE TAX CUTS AND JOBS**  
12 **ACT.**—Title I of Public Law 115-97 may be cited as the  
13 “Tax Cuts and Jobs Act”.

14 (d) **TABLE OF CONTENTS.**—The table of contents of  
15 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 disability.

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:

<b>“If taxable income is:</b>	<b>The tax is:</b>
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.

**“If taxable income is:****The tax is:**

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.”.

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

<b>“If taxable income is:</b>	<b>The tax is:</b>
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 \$300,000 .....	\$45,689.50, plus 35% of the excess over \$200,000.
Over \$300,000 .....	\$80,689.50, plus 37% of the excess over \$300,000.”.

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

<b>“If taxable income is:</b>	<b>The tax is:</b>
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.”.

7 (f) INFLATION ADJUSTMENTS.—Section 1(f) is  
 8 amended—  
 9 (1) by striking “1993” in paragraph (1) and in-  
 10 sserting “2018”,  
 11 (2) by amending paragraph (2)(A) to read as  
 12 follows:

1           “(A) by increasing the minimum and max-  
2           imum dollar amounts for each bracket for  
3           which a tax is imposed under such table by the  
4           cost-of-living adjustment for such calendar year,  
5           determined under this subsection for such cal-  
6           endar year by substituting ‘2017’ for ‘2016’ in  
7           paragraph (3)(A)(ii),”

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

11           “(B) SPECIAL RULE.—In the case of a  
12          table prescribed in lieu of the table contained in  
13          subsection (b), (c), or (d), subparagraph (A)”,  
14          (4) by striking paragraph (8), and  
15          (5) in the heading, by striking “PHASEOUT OF  
16          MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-  
17          JUSTMENTS” and inserting “ADJUSTMENTS”.

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

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

23          “(g) SPECIAL RULES FOR CERTAIN CHILDREN WITH  
24          UNEARNED INCOME.—

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

3           “(A) MODIFICATIONS TO APPLICABLE  
4 RATE BRACKETS.—In determining the amount  
5 of tax imposed by this section for the taxable  
6 year on such child, the income tax table other-  
7 wise applicable under this section to such child  
8 shall be applied with the following modifica-  
9 tions:

10           “(i) 24-PERCENT BRACKET.—The  
11 maximum taxable income which is taxed at  
12 a rate below 24 percent shall not be more  
13 than the sum of—

14           “(I) the earned taxable income of  
15 such child, plus

16           “(II) the minimum taxable in-  
17 come for the 24-percent bracket in the  
18 table under subsection (e) (as ad-  
19 justed under subsection (f)) for the  
20 taxable year.

21           “(ii) 35-PERCENT BRACKET.—The  
22 maximum taxable income which is taxed at  
23 a rate below 35 percent shall not be more  
24 than the sum of—

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

3                   “(II) the minimum taxable in-  
4                   come for the 35-percent bracket in the  
5                   table under subsection (e) (as ad-  
6                   justed under subsection (f)) for the  
7                   taxable year.

8                   “(iii) 37-PERCENT BRACKET.—The  
9                   maximum taxable income which is taxed at  
10                  a rate below 37 percent shall not be more  
11                  than the sum of—

12                  “(I) the earned taxable income of  
13                  such child, plus

14                  “(II) the minimum taxable in-  
15                  come for the 37-percent bracket in the  
16                  table under subsection (e) (as ad-  
17                  justed under subsection (f)) for the  
18                  taxable year.

19                  “(B) COORDINATION WITH CAPITAL GAINS  
20                  RATES.—For purposes of applying section  
21                  1(h)—

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

24                  “(I) the earned taxable income of  
25                  such child, plus



1                   “(II) the amount in effect under  
2                   subsection (h)(13) for the taxable  
3                   year, and

4                   “(ii) the maximum 15-percent rate  
5                   amount shall not be more than the sum  
6                   of—

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

9                   “(II) the amount in effect under  
10                  subsection (h)(12)(D) for the taxable  
11                  year.”.

12                  (2) EARNED TAXABLE INCOME.—Section  
13                  1(g)(3) is amended to read as follows:

14                  “(3) EARNED TAXABLE INCOME.—For purposes  
15                  of this subsection, the term ‘earned taxable income’  
16                  means, with respect to any child for any taxable  
17                  year, the taxable income of such child reduced (but  
18                  not below zero) by the net unearned income of such  
19                  child.”.

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

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

24                  (2) in paragraph (1)(C)(ii)(I), by striking  
25                  “which would (without regard to this paragraph) be

1       taxed at a rate below 39.6 percent” and inserting  
2       “below the maximum 15-percent rate amount”, and  
3       (3) by adding at the end the following new  
4       paragraphs:

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

8           “(A) in the case of a joint return or sur-  
9       viving spouse (as defined in section 2(a)),  
10       \$479,000 ( $\frac{1}{2}$  such amount in the case of a  
11       married individual filing a separate return),

12           “(B) in the case of an individual who is  
13       the head of a household (as defined in section  
14       2(b)), \$452,400,

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

17           “(D) in the case of an estate or trust,  
18       \$12,700.

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

24           “(14) INFLATION ADJUSTMENT.—

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

5                   “(i) such dollar amount, multiplied by

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

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

16 (i) APPLICATION OF SECTION 15.—

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

21           (2) CONFORMING AMENDMENTS.—

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

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

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

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

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

11 (j) CONFORMING AMENDMENTS.—

12 (1) Section 1 is amended by striking sub-  
13 sections (i) and (j).

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

16 (k) EFFECTIVE DATE.—

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

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

23 (A) section 1(j) of such Code (as in effect  
24 before its repeal by this section), or

25 (B) any amendment made by this Act.

1 **Subtitle B—Deduction for Quali-**  
2 **fied Business Income of Pass-**  
3 **thru Entities**

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

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

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

10 **SEC. 112. LIMITATION ON LOSSES FOR TAXPAYERS OTHER**  
11 **THAN CORPORATIONS.**

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

13 (1) by amending subsection (l)(1) to read as  
14 follows:

15 “(1) LIMITATION.—In the case of a taxpayer  
16 other than a corporation, any excess business loss of  
17 the taxpayer for the taxable year shall not be al-  
18 lowed.”, and

19 (2) by striking subsection (j) and redesignating  
20 subsections (k) and (l) (as amended) as subsections  
21 (j) and (k), respectively.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 58(a)(2)(A) is amended by striking  
24 “461(k)” and inserting “461(j)”.

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

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

6 (4) Subparagraphs (B) and (C) of section  
7 1256(e)(3) are each amended by striking “section  
8 461(k)(4)” and inserting “section 461(j)(4)”.

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

## 12 **Subtitle C—Tax Benefits for** 13 **Families and Individuals**

### 14 **SEC. 121. INCREASE IN STANDARD DEDUCTION.**

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

16 (1) by striking “\$4,400” in subparagraph (B)  
17 and inserting “\$18,000”, and

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

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

22 “(4) ADJUSTMENTS FOR INFLATION.—

23 “(A) IN GENERAL.—In the case of a tax-  
24 able year beginning after 2018, each dollar  
25 amount in paragraph (2)(B), (2)(C), or (5) or

1 subsection (f) shall be increased by an amount  
2 equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-  
5 termined under section 1(f)(3) for the cal-  
6 endar year in which the taxable year be-  
7 gins, determined by substituting for ‘2016’  
8 in subparagraph (A)(ii) thereof—

9 “(I) in the case of the dollar  
10 amounts contained in paragraph  
11 (2)(B) or (2)(C), ‘2017’,

12 “(II) in the case of the dollar  
13 amounts contained in paragraph  
14 (5)(A) or subsection (f), ‘1987’, and

15 “(III) in the case of the dollar  
16 amount contained in paragraph  
17 (5)(B), ‘1997’.

18 “(B) ROUNDING.—If any increase under  
19 subparagraph (A) is not a multiple of \$50, such  
20 increase shall be rounded to the next lowest  
21 multiple of \$50.”.

22 (c) CONFORMING AMENDMENTS.—

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





1 For purposes of the preceding sentence, the term “modi-  
2 fied adjusted gross income” means adjusted gross income  
3 increased by any amount excluded from gross income  
4 under section 911, 931, or 933.

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

7 “(1) QUALIFYING CHILD.—The term ‘qualifying  
8 child’ means any qualifying dependent of the tax-  
9 payer—

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

12 “(B) who has not attained age 17 at the  
13 close of the calendar year in which the taxable  
14 year of the taxpayer begins, and

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

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

1           “(3) SOCIAL SECURITY NUMBER DEFINED.—  
2           For purposes of this subsection, the term ‘social se-  
3           curity number’ means, with respect to a return of  
4           tax, a social security number issued to an individual  
5           by the Social Security Administration, but only if  
6           the social security number is issued—

7                   “(A) to a citizen of the United States or  
8                   pursuant to subclause (I) (or that portion of  
9                   subclause (III) that relates to subclause (I)) of  
10                  section 205(c)(2)(B)(i) of the Social Security  
11                  Act, and

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

14           (b) PORTION OF CREDIT REFUNDABLE.—

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

17                   “(A) the credit which would be allowed  
18                  under this section determined—

19                           “(i) by substituting ‘\$1,400’ for  
20                           ‘\$2,000’ in subsection (a)(1),

21                           “(ii) without regard to subsection  
22                           (a)(2), and

23                           “(iii) without regard to this subsection  
24                           and the limitation under section 26(a),  
25                           or”.

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

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

7           “(4) ADJUSTMENT FOR INFLATION.—

8           “(A) IN GENERAL.—In the case of a tax-  
9 able year beginning after 2018, the \$1,400  
10 amount in paragraph (1)(A)(i) shall 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, determined by substituting ‘2017’ for  
17 ‘2016’ in subparagraph (A)(ii) thereof.

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

22           “(C) LIMITATION.—The amount of any in-  
23 crease under subparagraph (A) (after the appli-  
24 cation of subparagraph (B)) shall not exceed  
25 \$600.”.

1 (4) CONFORMING AMENDMENTS.—

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

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

8 (B) Section 24 is amended by striking sub-  
9 section (h).

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

13 **SEC. 123. INCREASED LIMITATION FOR CERTAIN CHARI-**  
14 **TABLE CONTRIBUTIONS.**

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

17 “(G) CASH CONTRIBUTIONS.—

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

1 contributions allowable under subpara-  
2 graph (A) for such taxpayer for such year.

3 “(ii) CARRYOVER.—If the aggregate  
4 amount of contributions described in clause  
5 (i) exceeds the limitation of clause (i), such  
6 excess shall be treated (in a manner con-  
7 sistent with the rules of subsection (d)(1))  
8 as a charitable contribution to which clause  
9 (i) applies in each of the 5 succeeding  
10 years in order of time.”.

11 (b) COORDINATION WITH LIMITATIONS ON OTHER  
12 CONTRIBUTIONS.—

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

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

20 (A) in the matter preceding clause (i), by  
21 striking “to which subparagraph (A) applies”  
22 and inserting “to which subparagraph (A) or  
23 (G) applies”,

24 (B) by amending clause (ii) to read as fol-  
25 lows:

1 “(ii) the excess of—

2 “(I) the sum of 50 percent of the  
3 taxpayer’s contribution base for the  
4 taxable year, plus so much of the  
5 amount of charitable contributions al-  
6 lowable under subparagraph (G) as  
7 does not exceed 10 percent of such  
8 contribution base, over

9 “(II) the amount of charitable  
10 contributions allowable under sub-  
11 paragraphs (A) and (G) (determined  
12 without regard to subparagraph  
13 (C)).”, and

14 (C) in the matter following clause (ii), by  
15 striking “(to which subparagraph (A) does not  
16 apply)” and inserting “(to which neither sub-  
17 paragraph (A) nor (G) applies)”.

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

21 **SEC. 124. INCREASED CONTRIBUTIONS TO ABLE AC-**  
22 **COUNTS.**

23 (a) INCREASE IN LIMITATION FOR CONTRIBUTIONS  
24 FROM COMPENSATION OF INDIVIDUALS WITH DISABIL-

1 ITIES.—Section 529A(b)(2)(B)(ii) is amended by striking  
2 “before January 1, 2026”.

3 (b) ALLOWANCE OF SAVER’S CREDIT FOR ABLE  
4 CONTRIBUTIONS BY ACCOUNT HOLDER.—Section  
5 25B(d)(1)(D) is amended by striking “made before Janu-  
6 ary 1, 2026,”.

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

10 **SEC. 125. ROLLOVERS TO ABLE PROGRAMS FROM 529 PRO-**  
11 **GRAMS.**

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

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to distributions after December 31,  
16 2017.

17 **SEC. 126. TREATMENT OF CERTAIN INDIVIDUALS PER-**  
18 **FORMING SERVICES IN THE SINAI PENIN-**  
19 **SULA OF EGYPT.**

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

21 (1) by striking “means any area” and inserting  
22 “means—

23 “(A) any area”, and

24 (2) by striking the period at the end and insert-  
25 ing “, and

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

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

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

6 “(A) in the case of an area described in  
7 paragraph (2)(A), such service is performed”,  
8 and

9 (2) by striking the period at the end and insert-  
10 ing “, and

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

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

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



1 **SEC. 127. EXTENSION OF REDUCTION IN THRESHOLD FOR**  
2 **MEDICAL EXPENSE DEDUCTION.**

3 (a) IN GENERAL.—Section 213(a) is amended by in-  
4 serting “(7.5 percent in the case of any taxable year begin-  
5 ning after December 31, 2018, and ending before January  
6 1, 2021)” after “10 percent”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 56(b)(1) is amended by striking  
9 subparagraph (B) and by redesignating subpara-  
10 graphs (C) through (F) as subparagraphs (B)  
11 through (E), respectively.

12 (2) Section 213 is amended by striking sub-  
13 section (f).

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

17 **Subtitle D—Education**

18 **SEC. 131. TREATMENT OF STUDENT LOANS DISCHARGED**  
19 **ON ACCOUNT OF DEATH OR DISABILITY.**

20 (a) IN GENERAL.—Section 108(f)(5) is amended by  
21 striking “after December 31, 2017, and before January  
22 1, 2026”.

23 (b) EFFECTIVE DATE.—The amendment made by  
24 this section shall apply to discharges of indebtedness after  
25 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 redesign-  
12 ating 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 pendants,”.

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 1st refinancing of  
25                  such indebtedness (or if earlier, the

1 date which is 30 years after the date  
2 of such 1st 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)”, and

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) ½ 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.