

AMENDMENT NO. _____ Calendar No. _____

Purpose: To amend the Internal Revenue Code of 1986 to extend the special rule for seniors relating to the income level for deduction of medical care expenses and to require high-income taxpayers to pay a fair share of taxes.

IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.

H. R. 3762

To provide for reconciliation pursuant to section 2002 of the concurrent resolution on the budget for fiscal year 2016.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____ to the amendment (No. 2874) proposed by Mr. McCONNELL

Viz:

1 At the appropriate place, insert the following:

2 **SEC. ____ . EXTENSION OF SPECIAL RULE FOR SENIORS**

3 **RELATING TO INCOME LEVEL FOR DEDUC-**

4 **TION OF MEDICAL CARE EXPENSES.**

5 Subsection (f) of section 213 of the Internal Revenue

6 Code of 1986 is amended to read as follows:

7 “(f) SPECIAL RULE.—In the case of any taxable year

8 beginning after December 31, 2012, and ending before

9 January 1, 2024, subsection (a) shall be applied with re-

10 spect to a taxpayer by substituting ‘7.5 percent’ for ‘10

1 percent' if such taxpayer or such taxpayer's spouse has
 2 attained age 65 before the close of such taxable year.”.

3 **SEC. ____ . FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

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

7 **“PART VII—FAIR SHARE TAX ON HIGH-INCOME**
 8 **TAXPAYERS**

“Sec. 59A. Fair share tax.

9 **“SEC. 59A. FAIR SHARE TAX.**

10 “(a) GENERAL RULE.—

11 “(1) IMPOSITION OF TAX.—In the case of any
 12 high-income taxpayer, there is hereby imposed for a
 13 taxable year (in addition to any other tax imposed
 14 by this subtitle) a tax equal to the product of—

15 “(A) the amount determined under para-
 16 graph (2), and

17 “(B) a fraction (not to exceed 1)—

18 “(i) the numerator of which is the ex-
 19 cess of—

20 “(I) the taxpayer's adjusted
 21 gross income, over

22 “(II) the dollar amount in effect
 23 under subsection (c)(1), and

1 “(ii) the denominator of which is the
2 dollar amount in effect under subsection
3 (c)(1).

4 “(2) AMOUNT OF TAX.—The amount of tax de-
5 termined under this paragraph is an amount equal
6 to the excess (if any) of—

7 “(A) the tentative fair share tax for the
8 taxable year, over

9 “(B) the excess of—

10 “(i) the sum of—

11 “(I) the regular tax liability (as
12 defined in section 26(b)) for the tax-
13 able year, determined without regard
14 to any tax liability determined under
15 this section,

16 “(II) the tax imposed by section
17 55 for the taxable year, plus

18 “(III) the payroll tax for the tax-
19 able year, over

20 “(ii) the credits allowable under part
21 IV of subchapter A (other than sections
22 27(a), 31, and 34).

23 “(b) TENTATIVE FAIR SHARE TAX.—For purposes
24 of this section—

1 “(1) IN GENERAL.—The tentative fair share tax
2 for the taxable year is 30 percent of the excess of—

3 “(A) the adjusted gross income of the tax-
4 payer, over

5 “(B) the modified charitable contribution
6 deduction for the taxable year.

7 “(2) MODIFIED CHARITABLE CONTRIBUTION
8 DEDUCTION.—For purposes of paragraph (1)—

9 “(A) IN GENERAL.—The modified chari-
10 table contribution deduction for any taxable
11 year is an amount equal to the amount which
12 bears the same ratio to the deduction allowable
13 under section 170 (section 642(c) in the case of
14 a trust or estate) for such taxable year as—

15 “(i) the amount of itemized deduc-
16 tions allowable under the regular tax (as
17 defined in section 55) for such taxable
18 year, determined after the application of
19 section 68, bears to

20 “(ii) such amount, determined before
21 the application of section 68.

22 “(B) TAXPAYER MUST ITEMIZE.—In the
23 case of any individual who does not elect to
24 itemize deductions for the taxable year, the

1 modified charitable contribution deduction shall
2 be zero.

3 “(c) HIGH-INCOME TAXPAYER.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘high-income tax-
6 payer’ means, with respect to any taxable year, any
7 taxpayer (other than a corporation) with an adjusted
8 gross income for such taxable year in excess of
9 \$1,000,000 (50 percent of such amount in the case
10 of a married individual who files a separate return).

11 “(2) INFLATION ADJUSTMENT.—

12 “(A) IN GENERAL.—In the case of a tax-
13 able year beginning after 2016, the \$1,000,000
14 amount under paragraph (1) shall be increased
15 by an amount equal to—

16 “(i) such dollar amount, multiplied by

17 “(ii) the cost-of-living adjustment de-
18 termined under section 1(f)(3) for the cal-
19 endar year in which the taxable year be-
20 gins, determined by substituting ‘calendar
21 year 2015’ for ‘calendar year 1992’ in sub-
22 paragraph (B) thereof.

23 “(B) ROUNDING.—If any amount as ad-
24 justed under subparagraph (A) is not a multiple

1 of \$10,000, such amount shall be rounded to
2 the next lowest multiple of \$10,000.

3 “(d) PAYROLL TAX.—For purposes of this section,
4 the payroll tax for any taxable year is an amount equal
5 to the excess of—

6 “(1) the taxes imposed on the taxpayer under
7 sections 1401, 1411, 3101, 3201, and 3211(a) (to
8 the extent such tax is attributable to the rate of tax
9 in effect under section 3101) with respect to such
10 taxable year or wages or compensation received dur-
11 ing such taxable year, over

12 “(2) the deduction allowable under section
13 164(f) for such taxable year.

14 “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—
15 For purposes of this section, in the case of an estate or
16 trust, adjusted gross income shall be computed in the
17 manner described in section 67(e).

18 “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-
19 TER FOR CERTAIN PURPOSES.—The tax imposed under
20 this section shall not be treated as tax imposed by this
21 chapter for purposes of determining the amount of any
22 credit under this chapter (other than the credit allowed
23 under section 27(a)) or for purposes of section 55.”.

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

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

“PART VII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2015.