

117TH CONGRESS
1ST SESSION

H. R. 3725

To amend the Internal Revenue Code of 1986 to increase the qualified business income deduction for taxpayers whose taxable income does not exceed \$100,000, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2021

Ms. NEWMAN 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 increase the qualified business income deduction for taxpayers whose taxable income does not exceed \$100,000, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Relief and Equity for
5 Small businesses through Tax Act” or the “REST Act”.

1 **SEC. 2. INCREASED QUALIFIED BUSINESS INCOME DEDUC-**
2 **TION FOR CERTAIN TAXPAYERS.**

3 (a) IN GENERAL.—Section 199A of the Internal Rev-
4 enue Code of 1986 is amended by redesignating sub-
5 sections (h) and (i) as subsections (i) and (j), respectively,
6 and by inserting after subsection (g) the following new
7 subsection:

8 “(h) INCREASED DEDUCTION FOR CERTAIN INDIVID-
9 UALS.—

10 “(1) IN GENERAL.—In the case of a taxpayer
11 whose taxable income does not exceed \$100,000,
12 subsections (a)(2) and (b) shall be applied by sub-
13 stituting ‘25 percent’ for ‘20 percent’ each place it
14 appears.

15 “(2) INFLATION ADJUSTMENT.—In the case of
16 any taxable year beginning after 2022, the dollar
17 amount in paragraph (1) shall be increased by an
18 amount equal to—

19 “(A) such dollar amount, multiplied by

20 “(B) the cost-of-living adjustment deter-
21 mined under section 1(f)(3) for the calendar
22 year in which the taxable year begins, deter-
23 mined by substituting ‘calendar year 2021’ for
24 ‘calendar year 2016’ in subparagraph (A)(ii)
25 thereof.

1 If any increase determined under this paragraph is
2 not a multiple of \$1,000, such increase shall be
3 rounded to the nearest multiple of \$1,000.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 the date of the enactment of this Act.

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