

117TH CONGRESS  
2D SESSION

# H. R. 8214

To amend the Internal Revenue Code of 1986 to make permanent certain provisions of Public Law 115–97 affecting individuals.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2022

Mr. SCHWEIKERT (for himself, Mr. RICE of South Carolina, Mrs. WALORSKI, Mr. WENSTRUP, Mr. FERGUSON, Mr. KUSTOFF, Mrs. MILLER of West Virginia, Mr. HERN, Mr. SMITH of Nebraska, Mr. LAHOOD, Mr. SMITH of Missouri, Mr. MURPHY of North Carolina, and Mr. ARRINGTON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent certain provisions of Public Law 115–97 affecting individuals.

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 “Permanent Extension  
5 of Rate Cuts and Extension of National Tax Simplifica-  
6 tion Act of 2022” or the “PERCENTS Act of 2022”.

1 **SEC. 2. MODIFICATION OF RATES.**

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

8 (b) MARRIED INDIVIDUALS FILING JOINT RETURNS  
 9 AND SURVIVING SPOUSES.—Section 1(a) is amended by  
 10 striking the table contained therein and inserting the fol-  
 11 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.
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.”.

12 (c) HEADS OF HOUSEHOLDS.—Section 1(b) is  
 13 amended by striking the table contained therein and in-  
 14 serting the following:

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

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

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.”.

1 (d) UNMARRIED INDIVIDUALS OTHER THAN SUR-  
2 VIVING SPOUSES AND HEADS OF HOUSEHOLDS.—Section  
3 1(c) is amended by striking the table contained therein  
4 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.”.

5 (e) MARRIED INDIVIDUALS FILING SEPARATE RE-  
6 TURNS.—Section 1(d) is amended by striking the table  
7 contained therein 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.

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

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.”.

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

6           (1) by amending paragraph (2)(A) to read as  
7 follows:

8                   “(A) by increasing the minimum and max-  
9 imum dollar amounts for each bracket for  
10 which a tax is imposed under such table by the  
11 cost-of-living adjustment for such calendar year,  
12 determined under this subsection for such cal-  
13 endar year by substituting ‘2017’ for ‘2016’ in  
14 paragraph (3)(A)(ii),”

15           (2) by amending paragraph (7) to read as fol-  
16 lows:

17           “(7) ROUNDING.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), if any increase determined  
3           under paragraph (2)(A) is not a multiple of  
4           \$25, such increase shall be rounded to the next  
5           lowest multiple of \$25.

6           “(B) JOINT RETURNS, ETC.—In the case  
7           of a table prescribed under subsection (a), sub-  
8           paragraph (A) shall be applied by substituting  
9           ‘\$50’ for ‘\$25’ both places it appears.”,  
10          (3) by striking paragraph (8), and  
11          (4) in the heading, by striking “PHASEOUT OF  
12          MARRIAGE PENALTY IN 15-PERCENT BRACKET; AD-  
13          JUSTMENTS” and inserting “ADJUSTMENTS”.

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 a  
9       head of household (as defined in section 2(b)),  
10       \$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.—Each of the dollar  
22       amounts in paragraphs (12) and (13) shall be  
23       increased by an amount equal to—

24               “(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) 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 (j) 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 **FECT 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 (k) **EFFECTIVE DATE.**—

12 (1) **IN GENERAL.**—The amendments made by  
 13 this section shall apply to taxable years beginning  
 14 after the date of the enactment of this Act.

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

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

20 (B) any amendment made by this Act.

21 **SEC. 3. INCREASE IN STANDARD DEDUCTION.**

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

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



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

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

5           “(4) ADJUSTMENTS FOR INFLATION.—

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

11                  “(i) such dollar amount, multiplied by

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

17                          “(I) in the case of the dollar  
18                          amounts contained in paragraph  
19                          (2)(B) or (2)(C), ‘2017’,

20                          “(II) in the case of the dollar  
21                          amounts contained in paragraph  
22                          (5)(A) or subsection (f), ‘1987’, and

23                          “(III) in the case of the dollar  
24                          amount contained in paragraph  
25                          (5)(B), ‘1997’.

1 “(B) ROUNDING.—If any increase under  
2 subparagraph (A) is not a multiple of \$50, such  
3 increase shall be rounded to the next lowest  
4 multiple of \$50.”.

5 (c) CONFORMING AMENDMENTS.—

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

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

10 (3) Section 63(c) is amended by striking para-  
11 graph (7).

12 (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxable years beginning after  
14 the date of the enactment of this Act.

15 **SEC. 4. REPEAL OF OVERALL LIMITATION ON ITEMIZED DE-**  
16 **DUCTIONS.**

17 (a) IN GENERAL.—Part 1 of subchapter B of chapter  
18 1 is amended by striking section 68 (and the item relating  
19 to such section in the table of sections for such part).

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 1(f)(7)(A), as amended by section  
22 2, is amended by striking “or section 68(b)(2)”.

23 (2) Section 56(b)(1) is amended by striking  
24 subparagraph (E).

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

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

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

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

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

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

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

20           For purposes of this paragraph, marital  
21           status shall be determined under section  
22           7703. In the case of any taxable year be-  
23           ginning in calendar years after 2017, each  
24           of the dollar amounts in this clause shall  
25           be increased by an amount equal to such

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

11          (c) EFFECTIVE DATE.—The amendments made by  
 12          this section shall apply to taxable years beginning after  
 13          the date of the enactment of this Act.

14      **SEC. 5. INCREASED EXEMPTION FOR ALTERNATIVE MIN-**  
 15                              **IMUM TAX MADE PERMANENT.**

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

17                  (1) by striking “\$78,750” in subparagraph (A)  
 18                  and inserting “\$109,400”, and

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

21          (b) PHASE-OUT OF EXEMPTION AMOUNT.—Section  
 22          55(d)(2) is amended—

23                  (1) by striking “\$150,000” in subparagraph  
 24                  (A) and inserting “\$1,000,000”, and

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

3           “(B) 50 percent of the dollar amount ap-  
4       plicable under subparagraph (A) in the case of  
5       a taxpayer described in paragraph (1)(B) or  
6       (1)(C), and

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

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

11           “(3) INFLATION ADJUSTMENT.—In the case of  
12       any taxable year beginning in a calendar year after  
13       2018, each dollar amount described in clause (i) or  
14       (ii) of subparagraph (B) shall be increased by an  
15       amount equal to—

16           “(A) such dollar amount, multiplied by

17           “(B) the cost-of-living adjustment deter-  
18       mined under section 1(f)(3) for the calendar  
19       year in which the taxable year begins, deter-  
20       mined by substituting—

21           “(i) in the case of a dollar amount  
22       contained in paragraph (1)(D) or (2)(C) or  
23       in subsection (b)(1)(A), ‘calendar year  
24       2011’ for ‘calendar year 2016’ in subpara-  
25       graph (A)(ii) thereof, and

1                   “(ii) in the case of a dollar amount  
2                   contained in paragraph (1)(A), (1)(B), or  
3                   (2)(A), ‘calendar year 2017’ for ‘calendar  
4                   year 2016’ in subparagraph (A)(ii) thereof.  
5                   Any increased amount determined under this  
6                   paragraph shall be rounded to the nearest mul-  
7                   tiple of \$100 (\$50 in the case of the dollar  
8                   amount contained in paragraph (2)(C)).”.

9           (d) CONFORMING AMENDMENT.—Section 55(d) is  
10 amended by striking paragraph (4).

11           (e) EFFECTIVE DATE.—The amendments made by  
12 this subsection shall apply to taxable years beginning after  
13 the date of the enactment of this Act.

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