

117TH CONGRESS
1ST SESSION

H. R. 6049

To amend the Internal Revenue Code of 1986 to modify the limitation
on the deduction for State and local taxes, etc.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2021

Mr. SMITH of New Jersey 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 modify
the limitation on the deduction for State and local taxes,
etc.

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. MODIFICATION OF LIMITATION ON DEDUCTION**
4 **FOR STATE AND LOCAL TAXES, ETC.**

5 (a) IN GENERAL.—Paragraph (6) of section 164(b)
6 of the Internal Revenue Code of 1986 is amended—

7 (1) by striking “2025” in the heading and in-
8 serting “2031”,

9 (2) by striking “January 1, 2026” and insert-
10 ing “January 1, 2032”,

1 (3) in subparagraph (A), by inserting “or sec-
2 tion 216(a)(1)” after “subsection (a)(1)”,

3 (4) in subparagraph (B)—

4 (A) by inserting “(and any tax described in
5 any such paragraph taken into account under
6 section 216(a)(1))” after “paragraph (5) of this
7 subsection”, and

8 (B) by striking “shall not exceed \$10,000
9 (\$5,000 in the case of a married individual fil-
10 ing a separate return).” and inserting “shall
11 not exceed—

12 “(i) in the case of any taxable year
13 beginning after December 31, 2020, and
14 before January 1, 2031, \$80,000 (\$40,000
15 in the case of an estate, trust, or married
16 individual filing a separate return), and

17 “(ii) in the case of any taxable year
18 beginning after December 31, 2030, and
19 before January 1, 2032, \$10,000 (\$5,000
20 in the case of an estate, trust, or married
21 individual filing a separate return).”, and

22 (5) by striking the last sentence and inserting
23 the following: “In the case of taxes paid during a
24 taxable year beginning before January 1, 2031, the
25 Secretary shall prescribe regulations or other guid-

1 ance which treat all or a portion of such taxes as
2 paid in a taxable year or years other than the tax-
3 able year in which actually paid as necessary or ap-
4 propriate to prevent the avoidance of the limitations
5 of this paragraph.”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 2020.

9 (c) NO INFERENCE.—The amendments made by
10 paragraphs (3), (4)(A), and (5) shall not be construed to
11 create any inference with respect to the proper application
12 of section 164(b)(6) or section 216(a) with respect to any
13 taxable year beginning before January 1, 2021.

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