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## H.R.99

### Fair and Simple Tax Act of 2009 (Introduced in House)

#### SEC. 3. REPEAL OF ESTATE AND GIFT TAXES.

(a) In General- Subtitle B is hereby repealed.

(b) Effective Date- The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2008.

#### SEC. 4. ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNTS INDEXED FOR INFLATION.

(a) In General- Subsection (d) of section 55 (relating to exemption amount) is amended by adding at the end the following new paragraph:

“(4) INFLATION ADJUSTMENT-

“(A) IN GENERAL- In the case of any taxable year beginning in a calendar year after 2008, the dollar amounts contained in paragraphs (1), (2), and (3) shall be increased by an amount equal to--

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2006’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING- Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of \$100.’.

(b) Prior Increase Made Permanent- Paragraph (1) of section 55(d) is amended--

(1) by striking ` \$45,000 (\$69,950 in the case of taxable years beginning in 2007)' and inserting ` \$69,950',

(2) by striking ` \$33,750 (\$46,200 in the case of taxable years beginning in 2007)' and inserting ` \$46,200', and

(3) by striking ` paragraph (1)(A)' and inserting ` subparagraph (A)'.

(c) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

## **SEC. 5. MAXIMUM CORPORATE INCOME TAX RATE REDUCED TO 25 PERCENT.**

(a) In General- Paragraph (1) of section 11(b) (relating to amount of tax on corporations) is amended to read as follows:

` (1) IN GENERAL- The amount of the tax imposed by subsection (a) shall be the sum of--

` (A) 15 percent of so much of the taxable income as does not exceed \$50,000, and

` (B) 25 percent of so much of the taxable income as exceeds \$50,000.'.

(b) Personal Service Corporations- Paragraph (2) of section 11(b) is amended by striking ` 35 percent' and inserting ` 25 percent'.

(c) Conforming Amendments- Paragraphs (1) and (2) of section 1445(e) are each amended by striking ` 35 percent' and inserting ` 25 percent'.

(d) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008; except that the amendments made by subsection (c) shall take effect on January 1, 2009.

## **SEC. 6. 15 PERCENT RATE ON DIVIDENDS AND CAPITAL GAINS OF INDIVIDUALS REDUCED TO 10 PERCENT.**

(a) In General- Subparagraph (C) of section 1(h)(1) (relating to maximum capital gains rate) is amended by striking ` 15 percent' and inserting ` 10 percent'.

(b) Effective Date- The amendment made by this section shall apply to taxable years beginning after December 31, 2008.

## **SEC. 7. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.**

(a) In General- Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by redesignating section 1023 as section 1024 and