

103D CONGRESS
1ST SESSION

S. 474

To amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to \$3,500, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 2 (legislative day, JANUARY 5), 1993

Mr. COATS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to \$3,500, 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. STATEMENT OF CONGRESSIONAL FINDINGS.**

4 The Congress hereby finds that—

5 (1) the erosion of the personal exemption over
6 the past several decades has exacted an inordinate
7 financial penalty on families with children,

15 SEC. 2. INCREASE IN PERSONAL EXEMPTION FOR CERTAIN
16 DEPENDENT CHILDREN.

17 (a) GENERAL RULE.—Paragraph (1) of section
18 151(d) of the Internal Revenue Code of 1986 (defining
19 exemption amount) is amended to read as follows:

20 “(1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, the term ‘exemption
22 amount’ means \$2,000 (or, in the case of an exemp-
23 tion under subsection (c) for a child who has not at-
24 tained age 18 before the close of the calendar year
25 in which the taxable year begins, \$3,500).”

1 (b) CONFORMING AMENDMENTS.—

2 (1) Subparagraph (A) of section 151(d)(3) of
3 such Code is amended by striking “the exemption
4 amount” and inserting “each dollar amount in effect
5 under paragraph (1) (after any adjustment under
6 paragraph (4))”.7 (2) Subparagraph (A) of section 151(d)(4) of
8 such Code is amended—9 (A) by striking “the dollar amount” and
10 inserting “each dollar amount”, and11 (B) by adding at the end thereof the fol-
12 lowing new sentence: “In the case of the \$3,500
13 amount contained in paragraph (1), the preced-
14 ing sentence shall be applied by substituting
15 ‘1993’ for ‘1989’ the first place it appears, and
16 by substituting ‘1992’ for ‘1988’.”17 **SEC. 3. ROUNDING OF INFLATION ADJUSTMENTS.**18 Paragraph (6) of section 1(f) of the Internal Revenue
19 Code of 1986 (relating to rounding) is amended to read
20 as follows:21 “(6) ROUNDING.—If any increase determined
22 under paragraph (2)(A), subsection (g)(4), section
23 63(c)(4), section 68(b)(2), or section 151(d)(4) is
24 not a multiple of \$10, such increase shall be rounded
25 to the nearest multiple of \$10.”

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall apply to tax-
3 able years beginning after December 31, 1992.

○