

S 1040

Freedom and Fairness Restoration Act of 2001

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jun 14, 2001

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jun 14, 2001)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/1040>

Sponsor

Name: Sen. Shelby, Richard C. [R-AL]

Party: Democratic • **State:** AL • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Craig, Larry E. [R-ID]	R · ID		Jul 25, 2001

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jun 14, 2001

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
107 HR 1040	Identical bill	Mar 15, 2001: Referred to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Summary (as of Jun 14, 2001)

Freedom and Fairness Restoration Act of 2001 - Amends the Internal Revenue Code to impose a 19 percent tax (17 percent after December 31, 2002) on the taxable income of every individual.

Redefines "taxable income" to mean the amount by which wages, retirement distributions, and unemployment compensation exceed the standard deduction. Increases the basic standard deduction and includes an additional standard deduction for dependents. Includes in taxable income the taxable income of each dependent child under the age of 14.

Replaces the current tax on corporations with a tax on every person engaged in a business activity equal to 19 percent (17 percent after December 31, 2002) of the business taxable income of such person. Makes the person engaged in the business activity liable for the tax.

Imposes a tax of 19 percent (17 percent after December 31, 2002) on the value of excludable compensation provided during the year by an employer for the benefit of employees. Makes the employer liable for the tax.

Repeals specified provisions: (1) relating to pension plans; and (2) imposing a tax on any employer reversion from a qualified plan.

Revises requirements regarding transfers of excess pension assets.

Repeals provisions respecting: (1) alternative minimum tax; (2) tax credits; (3) estate and gift taxes; and (4) subject to exception, normal taxes and surtaxes.

Makes it not in order in the House of Representatives or the Senate, unless waived or suspended in the House or the Senate by a three-fifths vote of the Members, to consider any bill, joint resolution, amendment thereto, or conference report thereon that includes any provision that increases an income tax rate, creates an additional tax rate, reduces the standard deduction, or provides any exclusion, deduction, credit, or other benefit that results in a reduction in Federal revenues.

Actions Timeline

- **Jun 14, 2001:** Introduced in Senate
- **Jun 14, 2001:** Sponsor introductory remarks on measure. (CR S6321)
- **Jun 14, 2001:** Read twice and referred to the Committee on Finance.