

HR 4707

Simplified USA Tax Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Feb 8, 2006

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Feb 8, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/4707>

Sponsor

Name: Rep. English, Phil [R-PA-3]

Party: Republican • **State:** PA • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Feb 8, 2006

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Simplified USA Tax Act of 2006 - Repeals after 2006 income tax (including the individual and corporate alternative minimum tax) and estate and gift tax provisions of the Internal Revenue Code of 1986. Replaces such provisions with a new tax system, to be known as the Simplified USA Tax.

Establishes three income tax brackets at 15, 25 and 30% for individual taxpayers. Redefines "gross income" and allows certain exclusions from gross income, including previously-taxed benefits, tax-exempt bond interest, compensation for injuries and sickness, and gain from the sale of a principal residence. Allows tax deductions for alimony and child support, home mortgage interest, charitable contributions, certain higher education expenses, and contributions to individual retirement accounts. Allows individual taxpayers: (1) a tax credit for social security payroll taxes; and (2) a refundable tax credit based upon family size and income.

Revises rules for individual retirement accounts to allow all taxpayers to make contributions to a Roth IRA up to the amount of their adjusted gross income. Allows tax free withdrawals from Roth IRAs for any purpose after five years. Establishes new tax rules for deductible IRAs, annuities, and endowment and life insurance contracts.

Revises tax rules for business entities to: (1) establish an 8% tax rate for the first \$150,000 of business profit (12% for profit in excess of \$150,000); (2) allow a tax credit for payroll taxes; (3) allow current year expensing of depreciable business property; (4) exempt from taxation all export sales income and other foreign-source income; and (5) redefine concepts relating to gain or loss on the sale of an asset, basis, and nonrecognition transactions.

Actions Timeline

- **Feb 8, 2006:** Introduced in House
- **Feb 8, 2006:** Referred to the House Committee on Ways and Means.

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