

S 727

Bipartisan Tax Fairness and Simplification Act of 2011

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Apr 5, 2011

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

Latest Action: Read twice and referred to the Committee on Finance. (Apr 5, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/727>

Sponsor

Name: Sen. Wyden, Ron [D-OR]

Party: Democratic • State: OR • Chamber: Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Begich, Mark [D-AK]	D · AK		Apr 5, 2011
Sen. Coats, Daniel [R-IN]	R · IN		Apr 5, 2011

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Apr 5, 2011

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Bipartisan Tax Fairness and Simplification Act of 2011 - Declares as the purposes of this Act to: (1) make the federal individual income tax system simpler, fairer, and more transparent; (2) reduce the income tax rate on corporations, repeal the individual and corporate alternative minimum tax (AMT), and eliminate special tax preferences; and (3) reduce the federal budget deficit.

Amends the Internal Revenue Code to: (1) reduce the number of tax brackets for individual taxpayers from six to three (i.e., 15, 25, and 35%); (2) increase the standard tax deduction; (3) eliminate miscellaneous itemized tax deductions for individuals after 2011; (4) exclude from gross income 35% of certain dividend income and gain on capital assets; (5) repeal the AMT for individuals; (6) allow a new tax credit for interest on state and local bonds; (7) consolidate and revise rules for tax-exempt retirement plans and education tax credits and deductions and create tax-exempt American Dream Accounts; and (8) repeal certain income tax credits, deductions, and exclusions, including the tax deduction for punitive damages.

Makes permanent specified provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 that: (1) increased the earned income, dependent care, and child tax credits; and (2) repealed limits on personal exemptions and itemized tax deductions.

Requires the Internal Revenue Service (IRS), beginning on January 1, 2012, to provide taxpayers a simplified Easyfile pre-prepared income tax return and a one-page summary of federal spending on Social Security, Medicare, Medicaid, defense, and interest on the federal debt.

Revises corporate and business-related taxation by: (1) imposing a flat 24% rate on the taxable income of corporations; (2) increasing the expensing allowance for depreciable assets; (3) eliminating certain corporate tax preferences, including the percentage depletion allowance; (4) modifying foreign tax credit rules applicable to certain large integrated oil companies; (5) prohibiting advance refunding of tax-exempt bonds; (6) requiring 30% withholding of certain beneficiaries of foreign accounts; and (7) allowing overseas corporations a tax deduction for dividends received in 2011 from controlled foreign corporations if such dividends are reinvested in the United States.

Directs the Congressional Budget Office (CBO) to identify and report to Congress on federal direct and indirect spending on businesses.

Increases civil and criminal penalties for noncompliance with information reporting and tax payment requirements. Imposes certain e-filing requirements for large organizations and certain individuals.

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## **Actions Timeline**

- **Apr 5, 2011:** Introduced in Senate
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