

## S 893

### SMART Act

**Congress:** 115 (2017–2019, Ended)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** Apr 7, 2017

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

**Latest Action:** Read twice and referred to the Committee on Finance. (Apr 7, 2017)

**Official Text:** <https://www.congress.gov/bill/115th-congress/senate-bill/893>

### Sponsor

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

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

### Cosponsors

No cosponsors are listed for this bill.

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Apr 7, 2017

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

No related bills are listed.

## **Simplified, Manageable, And Responsible Tax Act or the SMART Act**

This bill amends the Internal Revenue Code to replace the marginal income tax rates with a single rate of 17% on individual taxable income.

The bill redefines "taxable income" to mean the amount by which wages, retirement distributions, and unemployment compensation exceed the standard deduction. It also:

- increases the basic standard deduction,
- includes an additional standard deduction for dependents, and
- includes the taxable income of each dependent child under the age of 14 in an individual's taxable income.

The bill revises the tax on corporations to: (1) replace it with a tax on every person engaged in a business activity equal to 17% of the business taxable income of such person; and (2) make the person engaged in the business activity liable for the tax, whether or not such person is an individual, a partnership, or a corporation.

The bill imposes on employers a 17% tax on the value of excludable compensation provided during the year to employees.

With respect to pension rules, the bill: (1) repeals rules relating to non-discrimination, contribution limits, and restrictions on distributions; and (2) revises rules relating to transfers of excess pension assets.

The bill also repeals:

- the alternative minimum tax;
- all income tax credits;
- estate, gift, and generation-skipping transfer taxes; and
- income tax provisions, except certain provisions relating to retirement distributions and tax-exempt organizations.

The bill prohibits Congress from considering legislation to make specified changes to tax policy unless Congress waives or suspends the prohibition with a three-fifths vote.

## **Actions Timeline**

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- **Apr 7, 2017:** Introduced in Senate
- **Apr 7, 2017:** Read twice and referred to the Committee on Finance.