

pending

Robert J. Warner

AMENDMENT NO. _____ Calendar No. _____

Purpose: To strike the extension of the limitation on State and local taxes and extend the limitation on excess business losses of noncorporate taxpayers, and for other purposes.

IN THE SENATE OF THE UNITED STATES—117th Cong., 2d Sess.

AMENDMENT NO 5488

By Warner _____ II of S. Con.

To: Amor No 5194 _____ and _____

5
Page(s) _____ printed _____

GPG: 2010 63-070 (mac)

proposed by Mr. Warner to the amendment (No. 5194) proposed by Mr. Schumer

Viz:

1 On page 545, strike line 1 and all that follows
2 through page 547, line 17, and insert the following:

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to sales in calendar quarters begin-
5 ning after the date which is 1 day after the date of enact-
6 ment of this Act.

7 **SEC. 13902. INCREASE IN RESEARCH CREDIT AGAINST PAY-
8 ROLL TAX FOR SMALL BUSINESSES.**

9 (a) IN GENERAL.—Clause (i) of section 41(h)(4)(B)
10 is amended—

1 (1) by striking "AMOUNT.—The amount" and
2 inserting "AMOUNT.—

3 " (I) IN GENERAL.—The
4 amount", and

5 (2) by adding at the end the following new sub-
6 clause:

7 " (II) INCREASE.—In the case of
8 taxable years beginning after Decem-
9 ber 31, 2022, the amount in subclause
10 (I) shall be increased by \$250,000."

11 (b) ALLOWANCE OF CREDIT.—

12 (1) IN GENERAL.—Paragraph (1) of section
13 3111(f) is amended—

14 (A) by striking "for a taxable year, there
15 shall be allowed" and inserting "for a taxable
16 year—

17 "(A) there shall be allowed",

18 (B) by striking "equal to the" and insert-
19 ing "equal to so much of the",

20 (C) by striking the period at the end and
21 inserting "as does not exceed the limitation of
22 subclause (I) of section 41(h)(4)(B)(i) (applied
23 without regard to subclause (II) thereof), and",
24 and

1 (D) by adding at the end the following new
2 subparagraph:

3 “(B) there shall be allowed as a credit
4 against the tax imposed by subsection (b) for
5 the first calendar quarter which begins after the
6 date on which the taxpayer files the return
7 specified in section 41(h)(4)(A)(ii) an amount
8 equal to so much of the payroll tax credit por-
9 tion determined under section 41(h)(2) as is
10 not allowed as a credit under subparagraph
11 (A).”.

12 (2) LIMITATION.—Paragraph (2) of section
13 3111(f) is amended—

14 (A) by striking “paragraph (1)” and in-
15 serting “paragraph (1)(A)”, and

16 (B) by inserting “, and the credit allowed
17 by paragraph (1)(B) shall not exceed the tax
18 imposed by subsection (b) for any calendar
19 quarter,” after “calendar quarter”.

20 (3) CARRYOVER.—Paragraph (3) of section
21 3111(f) is amended by striking “the credit” and in-
22 serting “any credit”.

23 (4) DEDUCTION ALLOWED.—Paragraph (4) of
24 section 3111(f) is amended—

1 (A) by striking “credit” and inserting
2 “credits”, and

3 (B) by striking “subsection (a)” and in-
4 serting “subsection (a) or (b)”.

5 (c) AGGREGATION RULES.—Clause (ii) of section
6 41(h)(5)(B) is amended by striking “the \$250,000
7 amount” and inserting “each of the \$250,000 amounts”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2022.

11 **SEC. 13903. REINSTATEMENT OF LIMITATION RULES FOR**
12 **DEDUCTION FOR STATE AND LOCAL, ETC.,**
13 **TAXES; EXTENSION OF LIMITATION ON EX-**
14 **CESS BUSINESS LOSSES OF NONCORPORATE**
15 **TAXPAYERS.**

16 (a) REINSTATEMENT OF LIMITATION RULES FOR
17 DEDUCTION FOR STATE AND LOCAL, ETC., TAXES.—

18 (1) IN GENERAL.—Section 164(b)(6), as
19 amended by section 13904, is further amended—

20 (A) in the heading, by striking “2026” and
21 inserting “2025”, and

22 (B) by striking “2027” and inserting
23 “2026”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to taxable years begin-
3 ning after December 31, 2022.

4 (b) EXTENSION OF LIMITATION ON EXCESS BUSI-
5 NESS LOSSES OF NONCORPORATE TAXPAYERS.—

6 (1) IN GENERAL.—Section 461(l)(1) is amend-
7 ed by striking “January 1, 2027” each place it ap-
8 pears and inserting “January 1, 2029”.

9 (2) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to taxable years begin-
11 ning after December 31, 2026.