

110TH CONGRESS  
1ST SESSION

# S. 1333

To amend the Internal Revenue Code of 1986 to strengthen the earned income tax credit.

---

IN THE SENATE OF THE UNITED STATES

MAY 8, 2007

Mr. KERRY introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to strengthen the earned income tax credit.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Strengthen the Earned  
5 Income Tax Credit Act of 2007”.

6 **SEC. 2. STRENGTHEN THE EARNED INCOME TAX CREDIT.**

7 (a) REDUCTION IN MARRIAGE PENALTY.—

8 (1) IN GENERAL.—Section 32(b)(2)(B) of the  
9 Internal Revenue Code of 1986 (relating to joint re-  
10 turns) is amended—

1 (A) by striking “, 2006, and 2007” in  
2 clause (ii) and inserting “and 2006”, and

3 (B) by striking clause (iii) and inserting  
4 the following new clauses:

5 “(iii) \$3,500 in the case of taxable  
6 years beginning in 2007,

7 “(iv) \$4,000 in the case of taxable  
8 years beginning in 2008,

9 “(v) \$4,500 in the case of taxable  
10 years beginning in 2009, and

11 “(vi) \$5,000 in the case of taxable  
12 years beginning after 2009.”.

13 (2) INFLATION ADJUSTMENT.—Section  
14 32(j)(1)(B)(ii) of such Code is amended—

15 (A) by striking “\$3,000 amount in sub-  
16 section (b)(2)(B)(iii)” and inserting “\$5,000  
17 amount in subsection (b)(2)(B)(vi)”, and

18 (B) by striking “2007” and inserting  
19 “2009”.

20 (3) PROVISIONS NOT SUBJECT TO SUNSET.—  
21 Title IX of the Economic Growth and Tax Relief  
22 Reconciliation Act of 2001 (relating to sunset provi-  
23 sions of such Act) shall not apply to section 303(a)  
24 of such Act.

1 (b) INCREASE IN CREDIT PERCENTAGE FOR FAMI-  
 2 LIES WITH 3 OR MORE CHILDREN.—The table contained  
 3 in section 32(b)(1)(A) of such Code (relating to percent-  
 4 ages) is amended—

5 (1) by striking “2 or more qualifying children”  
 6 in the second row and inserting “2 qualifying chil-  
 7 dren”, and

8 (2) by inserting after the second row the fol-  
 9 lowing new item:

3 or more qualifying children .....	45 .....	21.06”.
-------------------------------------	----------	---------

10 (c) CREDIT INCREASE AND REDUCTION IN PHASE-  
 11 OUT FOR INDIVIDUALS WITH NO CHILDREN.—The table  
 12 contained in section 32(b)(1)(A) of such Code is amend-  
 13 ed—

14 (1) by striking “7.65” in the second column of  
 15 the third row and inserting “15.3”, and

16 (2) by striking “7.65” in the third column of  
 17 the third row and inserting “15.3”.

18 (d) PERMANENT EXTENSION OF SPECIAL RULE  
 19 TREATING COMBAT PAY AS EARNED INCOME.—

20 (1) IN GENERAL.—Clause (vi) of section  
 21 32(c)(2)(B) of such Code (relating to earned in-  
 22 come) is amended to read as follows:

1                   “(iv) a taxpayer may elect to treat  
2                   amounts excluded from gross income by  
3                   reason of section 112 as earned income.”.

4                   (2) PROVISION NOT SUBJECT TO SUNSET.—  
5                   Section 105 of the Working Families Tax Relief Act  
6                   of 2004 (relating to application of EGTRRA sunset  
7                   to this title) shall not apply to section 104(b) of  
8                   such Act.

9                   (e) EFFECTIVE DATE.—The amendments made by  
10                  this section shall apply to taxable years beginning after  
11                  December 31, 2006.

○