

H.R.8

Latest Title: American Taxpayer Relief Act of 2012

Sponsor: [Rep Camp, Dave](#) [MI-4] (introduced 7/24/2012) [Cosponsors](#) (28)

Related Bills:

[H.RES.747](#), [H.RES.844](#), [H.R.1173](#), [H.R.6169](#), [H.R.6688](#), [S.720](#), [S.3401](#), [S.3413](#), [S.3417](#), [S.3521](#)

Latest Major Action: 1/2/2013 Signed by President.

Note: Final passage of the "fiscal cliff bill" on January 1, 2013, averted scheduled income tax rate increases and the spending reductions required by the sequestration process.

SUMMARY AS OF:

1/1/2013--Passed Senate amended. (There are 2 [other summaries](#))

(This measure was not further amended after passage by the Senate. A more detailed Public Law version summary will follow.)

American Taxpayer Relief Act of 2012 - **Title I: General Extensions** - Makes permanent the tax reduction provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 for individual taxpayers whose taxable income does not exceed \$400,000 (\$450,000 for married couples filing a joint return).

Amends the Internal Revenue Code to: (1) set the threshold for the phaseout of personal tax exemptions and itemized deductions at \$250,000 for individual taxpayers (\$300,000 for married couples filing a joint return), (2) increase the top marginal estate tax rate from 35% to 40%, and (3) increase the capital gains tax rate from 15% to 20% tax rate for taxpayers whose taxable income exceeds the \$400,000 threshold amount.

Makes permanent for individual taxpayers whose taxable income does not exceed \$400,000 (\$450,000 for married couples filing a joint return) provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 that reduce tax rates for capital gain and dividend income.

Extends until 2018: (1) the American Opportunity tax credit, (2) the child tax credit, and (3) the increased earned income tax credit.

Makes permanent: (1) the disregard of tax refunds for determining eligibility for means tested federal programs, and (2) the increased exemption from the alternative minimum tax (AMT) for individual taxpayers. Provides for an inflation adjustment to the AMT exemption amount for calendar years after 2012.

Title II: Individual Tax Extenders - Extends through 2013 expiring tax provisions relating to individual taxpayers, including:

- the deduction for certain expenses of elementary and secondary school teachers;
- the exclusion from gross income of amounts attributable to the discharge of qualified principal residence indebtedness;
- the equalization of the exclusion from gross income for employer-provided commuter transit and parking benefits;

- the deduction of mortgage insurance premiums;
- the deduction of state and local general sales taxes;
- the deduction for contributions of capital gain real property made for conservation purposes;
- the deduction for qualified tuition and related expenses; and
- the exemption from tax of distributions from individual retirement accounts (IRAs) made for charitable purposes.

Makes permanent provisions authorizing the Internal Revenue Service (IRS) to disclose the tax returns or tax return information of federal or state prison inmates whom the IRS has determined may have filed or facilitated the filing of a false or fraudulent tax return.

Title III: Business Tax Extenders - Extends through 2013 expiring tax provisions relating to business taxpayers, including:

- the tax credit for increasing research expenditures;
- the 9% low-income housing tax credit rate for newly constructed non-federally subsidized buildings;
- the Indian employment tax credit;
- the new markets tax credit;
- the tax credit for qualified railroad track maintenance expenditures;
- the tax credit for mine rescue team training expenses;
- the tax credit for differential wage payments to employees who are active duty members of the Uniformed Services;
- the work opportunity tax credit;
- the authority for issuing qualified zone academy bonds;
- accelerated depreciation for qualified leasehold, restaurant, and retail improvements, for motorsports entertainment complexes, and for business property on Indian reservations;
- the deduction for contributions of food inventory by taxpayers other than C corporations;
- increased expensing allowances for depreciable business property;
- the election to expense advanced mine safety equipment and expensing of film and television production expenses;
- the deduction for income attributable to domestic production activities in Puerto Rico;
- tax rules relating to payments between related foreign corporations;
- rules for the tax treatment of certain dividends of regulated investment companies (RICs);
- the subpart F income exemption for income derived in the active conduct of a banking, finance, or insurance business;
- the 100% exclusion from gross income of gain from the sale or exchange of certain small business stock;
- the rule for adjusting stock of an S corporation making charitable contributions of property;
- the reduction of the recognition period for the built-in gains of S corporations;
- tax incentives for investment in empowerment zones;
- the authority for issuing New York Liberty Zone bonds;
- the increased limitation for payments of excise taxes on distilled spirits into the treasuries of Puerto Rico and the Virgin Islands;

- the tax credit for American Samoan economic development expenditures; and
- the special depreciation allowance (bonus depreciation) for certain business and investment property.

Amends the Housing Assistance Tax Act of 2008 to extend through 2013 the exemption of the basic military housing allowance from the income test for programs financed by tax-exempt housing bonds.

Title IV: Energy Tax Extenders - Extends through 2013 expiring energy-related tax provisions, including;

- the tax credit for residential energy efficiency improvements;
- the tax credit for alternative fuel vehicle refueling property expenditures;
- the tax credit for two- or three-wheeled plug-in electric vehicles;
- the cellulosic biofuel producer tax credit;
- the income tax credit for biodiesel and renewable diesel used as fuel;
- the tax credit for producing electricity from Indian coal production facilities;
- the placed-in-service dates for facilities producing electricity from renewable resources, including wind, biomass, landfill gas, trash, hydropower, and marine and hydrokinetic renewable energy facilities;
- the tax credit for energy efficient new homes;
- the tax credit for energy efficient appliances;
- accelerated depreciation of cellulosic biofuel plant property;
- tax rules relating to sales required to implement federal and state restructuring policy for qualified electric utilities; and
- the excise tax credit for alternative fuels.

Title V: Unemployment - Extends unemployment provisions, including: (1) emergency unemployment compensation payments for eligible individuals through January 1, 2014, and (2) requirements that federal payments to states cover 100% of such payments until December 31, 2013.

Amends the Supplemental Appropriations Act, 2008 to appropriate funds out of the employment security administration account to assist states in providing reemployment and eligibility assessment activities.

Amends the Railroad Unemployment Insurance Act to extend through December 31, 2013, the temporary increase in extended unemployment benefits.

Title VI: Medicare and Other Health Extensions - Subtitle A: Medicare Extensions - Amends title XVIII (Medicare) of the Social Security Act (SSA) to extend for one year the Medicare physician payment rates without change.

Authorizes eligible professionals to receive incentive payments under Medicare for reporting on quality measures by participating in a qualified clinical data registry.

Requires the Comptroller General to study the potential of clinical data registries to improve the quality and efficiency of care in the Medicare program.

Extends through 2013 the floor at 1.0 on the work geographic index in the formula for determining relative values for physicians' services for the Medicare physician payment.

Revises requirements for Medicare payments for outpatient therapy services, including to extend through December 31, 2013, the period of incurred expenses for which an enrollee may request an exception to the ceiling on such expenses.

Extends: (1) the temporary increase in payment for ground ambulance services, (2) the increase in payment for certain urban air ambulance services, and (3) the increase in the assistance for rural providers furnishing (super rural ambulance) services in low-population density areas. Requires the Secretary of Health and Human Services (HHS) to study issues related to ambulance services.

Extends through 2013 the additional Medicare payment for inpatient services for low-volume hospitals.

Extends through FY2013 the current methodology for payment to subsection (d) hospitals for inpatient hospital services furnished to individuals under the Medicare-dependent, small rural hospital (MDH) program. (Generally, a subsection [d] hospital is an acute hospital, particularly one that receives payments under Medicare's inpatient prospective payment system [IPPS] when providing covered inpatient services to eligible beneficiaries.)

Extends through December 31, 2014, Medicare Advantage plans that exclusively serve special needs individuals.

Extends Medicare authorization for reasonable cost contracts through December 31, 2013.

Reauthorizes through FY2013 the requirements that the Secretary contract with a consensus-based entity to develop health care performance measurements. Requires the Secretary to develop a strategy to provide data for performance improvement in a timely manner to applicable providers under the Medicare program. Requires the Comptroller General to study private sector and Medicare information sharing activities.

Amends the Medicare Improvements for Patients and Providers Act of 2008 to extend grants for outreach to Medicare beneficiaries.

Subtitle B: Other Health Extensions - Amends SSA title XIX (Medicaid) to extend for one year the Qualifying Individual (QI) Program through which the Program pays the Medicare Part B premiums of Medicare beneficiaries with incomes between 120% and 135% of the official poverty line.

Extends the program to provide continued short-term eligibility for Medicaid beneficiaries who become ineligible due to increased hours of, or increased income from, employment (transitional medical assistance program).

Extends through September 30, 2014, the authority of states to base eligibility determinations for Medicaid or the Children's Health Insurance Program (CHIP) on findings by an Express Lane agency.

Amends SSA title V (Maternal and Child Health Services Block Grant) to extend the program for the development and support of family-to-family health information centers for children with disabilities or special health care needs.

Amends the Public Health Service Act to reauthorize for FY2014: (1) a research program for the prevention and cure of Type I diabetes, and (2) a program to provide services through Indian health facilities for the prevention and treatment of diabetes.

Subtitle C: Other Health Provisions - Directs the Secretary to apply certain prospective documentation and coding adjustments (made in response to the implementation of the Medicare Severity Diagnosis Related Group [MS-DRG] system under the Medicare IPPS) for discharges occurring during FY2008, FY2009, and FY2010. Directs the Secretary to make an additional adjustment to the standardized amounts for inpatient hospital services based upon the Secretary's estimates for discharges occurring only during FY2014-FY2017 to offset \$11 billion (which represents the amount of the increase in aggregate payments from FY2008-FY2013 for which an adjustment was not previously applied).

Requires the Secretary to make reductions in Medicare payments for renal dialysis services.

Makes reductions to Medicare payments for multiple therapy services provided to the same patient on the same day.

Reduces payments for certain hospital outpatient department services (stereotactic radiosurgery).

Revises utilization rates for purposes of Medicare payment for the use of expensive diagnostic imaging equipment.

Makes Medicare reimbursement for diabetic supplies that are non-mail order equal to the single payment amounts established under the national mail order competition for diabetic supplies.

Reduces Medicare payment by 10% for ambulance services consisting of non-emergency basic life support services involving transport of an individual with end-stage renal disease (ESRD) for renal dialysis services furnished other than on an emergency basis by a provider of services or a renal dialysis facility.

Extends from three years to five years the length of time the Secretary has to collect Medicare overpayments.

Revises the coding adjustment factor for health status under Medicare Advantage plans.

Eliminates funding for the Medicare Improvement Fund starting in FY2014.

Revises state disproportionate share hospital (DSH) allotments under Medicaid.

Repeals the Community Living Assistance Services and Supports Act or the CLASS Act, as added to the Public Health Service Act by the Patient Protection and Affordable Care Act, which establishes a national, voluntary insurance program for purchasing community living assistance services and supports in order to provide individuals with functional limitations with tools that will allow them to maintain their personal and financial independence and live in the community.

Amends the Deficit Reduction Act of 2005 to repeal appropriations through FY2015 for the National Clearinghouse for Long-Term Care Information.

Establishes the Commission on Long-Term Care to develop a plan for a system to ensure the availability of long-term services and supports for individuals in need of such services.

Requires the Secretary to establish a fund to be used to provide assistance and oversight to qualified nonprofit health insurance issuers that have been awarded loans or grants under the Consumer Operated and Oriented Plan (CO-OP) program to offer qualified health plans in the individual and small group markets. Transfers to this new fund 10% of the appropriations to the CO-OP program. Rescinds all other unobligated funds appropriated to the CO-OP program.

Title VII: Extension of Agricultural Programs - Extends through September 30, 2013, with specified exceptions, programs under the Food, Conservation, and Energy Act of 2008.

Extends: (1) the dairy product price support program through December 31, 2013, and (2) the milk income loss contract program.

Extends specified commodity programs to crop year 2013, including programs for sugar cane, sugar beets, and peanuts.

Suspends specified price support authorities.

Extends through FY2013 specified: (1) conservation programs, (2) research programs, (3) energy programs, and (4) horticulture and organic agriculture programs.

Extends employment and training programs and nutrition education programs under the supplemental nutrition assistance program (SNAP, formerly the food stamp program).

Extends the program of outreach and technical assistance for socially disadvantaged farmers or ranchers through FY2013.

Provides FY2012-FY2013 assistance for livestock losses caused by adverse weather or drought or fire.

Provides FY2012-FY2013 assistance to: (1) producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, or other conditions; and (2) orchardists and nursery tree growers for commercial losses caused by natural disasters.

Title VIII: Miscellaneous Provisions - Amends the National Defense Authorization Act for Fiscal Year 2013 to modify requirements concerning presidential notification of any reduction of strategic delivery systems to state that the President shall certify whether the Russian Federation is in compliance (currently, “that” it is in compliance) with its strategic arms control obligations (currently, “arms control obligations”) with the United States and is not violating or acting inconsistently with such obligations.

Prohibits any cost-of-living adjustment to the rate of pay for Members of Congress during FY2013.

Title IX: Budget Provisions - Subtitle A: Modifications of Sequestration - Amends the Balanced Budget and Emergency Deficit Control Act of 1985 to reduce the required amount of deficit reduction calculated for FY2013 by \$24 billion.

Postpones to March 1, 2013, the allocation by the Office of Management and Budget (OMB) and order by the President of total reductions to budget functions (half from the defense function). Implements the FY2013 sequester on March 27, 2013.

Reduces FY2013 discretionary spending limits to those applicable for FY2012. Reduces FY2014 limits from \$1.066 trillion to \$1.058 trillion.

Amends the Internal Revenue Code to permit an applicable tax-deferred retirement plan that includes a qualified Roth contribution (a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the plan) to allow an individual to elect to have the plan transfer any amount not otherwise distributable to a designated Roth account maintained for the individual's benefit. Treats such a transfer as a taxable rollover distribution to the account. (Roth account contributions are made with after-tax funds.) Exempts such a plan, including the federal Thrift Savings Plan, from certain normally applicable restrictions because of such a transfer.

Subtitle B: Budgetary Effects - Exempts the budgetary effects of this Act from the PAYGO scorecard requirements of the Statutory Pay-As-You-Go Act of 2010 and S.Con.Res. 21, 110th Congress (setting forth the congressional budget for the government for FY2008).