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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ____

To amend the Internal Revenue Code of 1986 to establish a cap on income taxes on certain pensions.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAWLER introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To amend the Internal Revenue Code of 1986 to establish a cap on income taxes on certain pensions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CAP ON INCOME TAXES ON CERTAIN PENSIONS.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(k) SPECIAL RULE FOR INDIVIDUALS RECEIVING CERTAIN PENSIONS.—

"(1) IN GENERAL.—The amount of tax imposed under this chapter may not exceed the sum of—

"(A) the non-pension tax amount, plus

"(B) $10,000 ($20,000 in the case of a qualified joint return).

"(2) NON-PENSION TAX AMOUNT.—For purposes of this subsection, the term 'non-pension tax amount' means the amount of tax imposed under this chapter, determined without regard to income received from a pension provided by a State or local government.

"(3) QUALIFIED JOINT RETURN.—For purposes of this subsection, the term 'qualified joint return' means a return of tax filed jointly by spouses who each receive income from a pension provided by a State or local government.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.