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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to increase the limitation
on capital losses and index the limitation to inflation.

IN THE HOUSE OF REPRESENTATIVES

Mr. NORMAN introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase
the limitation on capital losses and index the limitation
to inflation.

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 “Capital Loss Inflation
5 Fairness Act”.

6 **SEC. 2. INCREASED LIMITATION ON CAPITAL LOSSES.**

7 (a) IN GENERAL.—Section 1211(b) of the Internal
8 Revenue Code of 1986 is amended to read as follows:

1 “(b) OTHER TAXPAYERS.—

2 “(1) IN GENERAL.—In the case of a taxpayer
3 other than a corporation, losses from sales or ex-
4 changes of capital assets shall be allowed only to the
5 extent of the gains from such sales or exchanges,
6 plus (if such losses exceed such gains) the lower of—

7 “(A) \$14,250 (\$7,125 in the case of a
8 married individual filing a separate return), or

9 “(B) the excess of such losses over such
10 gains.

11 “(2) INFLATION ADJUSTMENT.—In the case of
12 any taxable year beginning in a calendar year after
13 2026, the dollar amounts in paragraph (1)(A) shall
14 be increased by an amount equal to—

15 “(A) such dollar amount, multiplied by

16 “(B) the cost-of-living adjustment under
17 section 1(f)(3) for the calendar year in which
18 the taxable year begins, determined by sub-
19 stituting ‘calendar year 2025’ for ‘calendar year
20 2016’ in subparagraph (A)(ii) thereof.

21 If any increase determined under the preceding sen-
22 tence is not a multiple of \$25, such increase shall
23 be rounded to the nearest multiple of \$25.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to losses in taxable years beginning
3 after December 31, 2025.