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(Original Signature of Member)

112TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to reduce the corporate income tax rate.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Internal Revenue Code of 1986 to reduce the corporate income tax rate.

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 “American Competitive-
5 ness Act of 2011”.

1 **SECTION 2. REDUCTION IN CORPORATE INCOME TAX**
2 **RATES.**

3 (a) IN GENERAL.—Paragraph (1) of section 11(b) of
4 the Internal Revenue Code of 1986 is amended to read
5 as follows:

6 “(1) RATES OF TAX.—

7 “(A) IN GENERAL.—Except as otherwise
8 provided in this paragraph, the amount of the
9 tax imposed by subsection (a) shall be the sum
10 of—

11 “(i) 15 percent of so much of the tax-
12 able income as does not exceed \$50,000,
13 and

14 “(ii) 25 percent of so much of the tax-
15 able income as exceeds \$50,000.

16 “(B) SPECIAL RULES FOR 2011.—In the
17 case of any taxable year beginning in 2011, the
18 amount of the tax imposed by subsection (a)
19 shall be the sum of—

20 “(i) 15 percent of so much of the tax-
21 able income as does not exceed \$50,000,
22 and

23 “(ii) 25 percent of so much of the tax-
24 able income as exceeds \$50,000 but does
25 not exceed \$75,000, and

1 “(iii) 30 percent of so much of the
2 taxable income as exceeds \$75,000.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 11(b)(2) of such Code is amended
5 by striking “35 percent” and inserting “the maximum
6 rate of tax in effect under section 11(b)(1)”.

7 (2) Section 280C(c)(3)(B)(ii)(II) of such Code
8 is amended by inserting “in effect” after “maximum
9 rate of tax”.

10 (3) Section 904(b)(3)(D)(ii) of such Code is
11 amended by striking “(determined without regard to
12 the last sentence of section 11(b)(1))”.

13 (4) Section 1201(a) of such Code is amended—

14 (A) by striking “35 percent (determined
15 without regard to the last 2 sentences of section
16 11(b)(1))” and inserting “the maximum rate of
17 tax in effect under section 11(b)(1)”, and

18 (B) by striking “35 percent” in paragraph
19 (2) and inserting “the maximum rate of tax in
20 effect under section 11(b)(1)”.

21 (5) Section 1561(a) of such Code is amended
22 by striking the fourth sentence.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2010.