

SB-58

This Congress finds that a high capital gains tax rate is stifling investment in the country, and intends with this bill to reduce the short-term and long-term capital gains tax.

IN THE SENATE OF THE AMERICAN LEGION BOYS NATION

Mr. Manchanda of New Hampshire introduced the following bill;

A BILL

This Congress finds that a high capital gains tax rate is stifling investment in the country, and intends with this bill to reduce the short-term and long-term capital gains tax.

Be it enacted by The American Legion Boys Nation Senate assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "The Capital Gains Tax Reduction Act of 2023".

SECTION 2. INDEXED ITEMS THAT QUALIFY UNDER CAPITAL GAINS

a) General Rule

i) Indexed Assets include

1) Digital Assets, including, but not limited to, NFTs and Cryptocurrency

2) Tangible Assets, including, but not limited to: houses, boats, and cars

3) Stock in a C corporation, both international and domestic

ii) Inflation Adjustment

1) Capital Gains Tax will be adjusted for inflation

2) The GDP Deflator will be used to determine the true change in price, and will be multiplied against the asset price to determine the taxable rate

SECTION 3. MODIFICATION OF RATES

a) Long-Term Capital Gains Tax Rates

i) FILING STATUS

0% RATE

10% RATE

13% RATE

Single

Up to \$48,250

\$48,251 - \$449,000

Over \$449,000

Married filing jointly

Up to \$96,500

\$96,501 - \$539,000

Over \$539,000

Married filing separately

Up to \$48,250

\$48,251 - \$250,000

Over \$250,000

Head of household

Up to \$61,000

\$61,001 - \$500,000

Over \$500,000

ii) Long-term capital gains are applied one year after the initial purchase of the asset

b) Short-Term Capital Gains Tax Rates

i) Tax rate

Single

Head of household

Married filing jointly or qualifying widow

Married filing separately

7%

\$0 to \$10,275

\$0 to \$14,650

\$0 to \$20,550

\$0 to \$10,275

9%

\$10,276 to \$41,775

\$14,651 to \$55,900

\$20,551 to \$83,550

\$10,276 to \$41,775

14%

\$41,776 to \$89,075

\$55,901 to \$89,050

\$83,551 to \$178,150

\$41,776 to \$89,075

17%

\$89,076 to \$170,050

\$89,051 to \$170,050

\$178,151 to \$340,100

\$89,076 to \$170,050

20%

\$170,051 to \$215,950

\$170,051 to \$215,950

\$340,101 to \$431,900

\$170,051 to \$215,950

24%

\$215,951 to \$539,900

\$215,951 to \$539,900

\$431,901 to \$647,850

\$215,951 to \$323,925

28%

\$539,901 or more

\$539,901 or more

\$647,851 or more

\$323,926 or more

ii) Short-term capital gains are applied to sales within a year of the initial asset purchase

SECTION 4. REGULATION

a) The IRS will regulate the new capital gains tax rates, and will have jurisdiction over-

1) Enforcement of the proposed capital gains tax rates

2) Rebates for taxpayers that overpaid their current taxes

3) Failure to Pay Penalty, as referenced by IRC Section 6651

b) This Act goes into effect after the 2023 filing period is over, and will be instituted for the 2024 tax filing year.