

REVISED SECTION 63(b)

(b) Individuals who do not itemize their deductions.—In the case of an individual who does not elect to itemize his deductions for the taxable year, for purposes of this subtitle, the term “taxable income” means adjusted gross income, minus—

- (1) the standard deduction,
- (2) the deduction for personal exemptions provided in section 151,
- (3) any deduction provided in section 199A,
- (4) the deduction provided in section 170(p),^[1]
- (5) the deduction provided in section 224,
- (6) the deduction provided in section 225 and
- (7) so much of the deduction allowed by section 163(a) as is attributable to the exception under section 163(h)(4)(A).

REVISED SECTION 63(c)(7)

(7) Special rules for taxable years beginning after 2017.—In the case of a taxable year beginning after December 31, 2017—

(A) Increase in standard deduction.—Paragraph (2) shall be applied—

- (i) by substituting “\$23,625” for “\$4,400” in subparagraph (B), and
- (ii) by substituting “\$15,750” for “\$3,000” in subparagraph (C).

(B) Adjustment for inflation.—

(i) In general.—Paragraph (4) shall not apply to the dollar amounts contained in paragraphs (2)(B) and (2)(C).

(ii) Adjustment of increased amounts.—In the case of a taxable year beginning after 2025, the \$23,625 and \$15,750 amounts in subparagraph (A) shall each be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “2024” for “2016” in subparagraph (A)(ii) thereof.

If any increase under this clause is not a multiple of \$50, such increase shall be rounded to the next lowest multiple of \$50.

¹ Not effective until 2026.