

**SEC. 12003. INCREASED EXEMPTION FOR INDIVIDUALS.**

(a) **IN GENERAL.**—Section 55(d), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

“(4) **SPECIAL RULE FOR TAXABLE YEARS**

**BEGINNING AFTER 2017 AND BEFORE 2026.**—

“(A) **IN GENERAL.**—In the case of any taxable year beginning after December 31, 2017, and before January 1, 2026—

“(i) paragraph (1) shall be applied—

“(I) by substituting ‘\$109,400’ for ‘\$78,750’ in subparagraph (A), and

“(II) by substituting ‘\$70,300’ for ‘\$50,600’ in subparagraph (B), and

“(ii) paragraph (2) shall be applied—

“(I) by substituting ‘\$1,000,000’ for ‘\$150,000’ in subparagraph (A),

“(II) by substituting ‘50 percent of the dollar amount applicable under subparagraph (A)’ for ‘\$112,500’ in subparagraph (B), and

“(III) in the case of a taxpayer described in paragraph (1)(D), without regard to the substitution under subclause (I).

“(B) **INFLATION ADJUSTMENT.**—

“(i) **IN GENERAL.**—In the case of any taxable year beginning in a calendar year after 2018, the amounts described in clause (ii) 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 ‘calendar year 2017’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(ii) **AMOUNTS DESCRIBED.**—The amounts described in this clause are the \$109,400 amount in subparagraph (A)(i)(I), the \$70,300 amount in subparagraph (A)(i)(II), and the \$1,000,000 amount in subparagraph (A)(ii)(I).

“(iii) **ROUNDING.**—Any increased amount determined under clause (i) shall be rounded to the nearest multiple of \$100.

“(iv) **COORDINATION WITH CURRENT ADJUSTMENTS.**—In the case of any taxable year to which subparagraph (A) applies, no adjustment shall be made under paragraph (3) to any of the numbers which are substituted under subparagraph (A) and adjusted under this subparagraph.”.