



Joint Committee on Taxation  
February 12, 2007  
JCX-9-07

**DESCRIPTION OF AN AMENDMENT IN THE NATURE OF  
A SUBSTITUTE TO THE PROVISIONS OF H.R. 976**

The Chairman's amendment in the nature of a substitute makes the following modifications to H.R. 976.

**A. Modification to the Denial for Lowest Capital Gain  
Rate for Certain Dependents**

The Chairman's amendment clarifies the application of the 8- and 18-percent tax rates for 5-year gain for taxable years following the sunset provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

**B. Modification of Provision Regarding Suspension  
of Certain Interest and Penalties**

The Chairman's amendment inserts the words "or his delegate" in the provision relating to notices issued by the Secretary of the Treasury regarding the suspension of certain interest and penalties.