

Exhibit 57

Subtitle B—Itemized Deductions; Etc.

SEC. 111. REPEAL OF DEDUCTION FOR STATE AND LOCAL TAXES ON GASOLINE AND OTHER MOTOR FUELS.

(a) **REPEAL.**—Paragraph (5) of section 164(a) (relating to deduction for taxes) is hereby repealed. 26 USC 164.

(b) **CONFORMING AMENDMENTS.**—

(1) The heading of paragraph (5) of section 164(b) is amended by striking out “AND GASOLINE TAXES”.

(2) The text of such paragraph (5) is amended by striking out “or of any tax on the sale of gasoline, diesel fuel, or other motor fuel”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 1978. 26 USC 164 note.

SEC. 112. TAXATION OF UNEMPLOYMENT COMPENSATION BENEFITS AT CERTAIN INCOME LEVELS.

(a) **INCLUSION IN GROSS INCOME.**—Part II of subchapter B of chapter 1 (relating to amounts specifically included in gross income) is amended by adding at the end thereof the following new section: 26 USC 71.

“SEC. 85. UNEMPLOYMENT COMPENSATION. 26 USC 85.

“(a) **IN GENERAL.**—If the sum for the taxable year of the adjusted gross income of the taxpayer (determined without regard to this section and without regard to section 105(d)) and the unemployment compensation exceeds the base amount, gross income for the taxable year includes unemployment compensation in an amount equal to the lesser of— 26 USC 105.

“(1) one-half of the amount of the excess of such sum over the base amount, or

“(2) the amount of the unemployment compensation.

“(b) **BASE AMOUNT DEFINED.**—For purposes of this section, the term ‘base amount’ means—

“(1) except as provided in paragraphs (2) and (3), \$20,000,

“(2) \$25,000, in the case of a joint return under section 6013, or 26 USC 6013.

“(3) zero, in the case of a taxpayer who—

“(A) is married at the close of the taxable year (within the meaning of section 143) but does not file a joint return for such year, and 26 USC 143.

“(B) does not live apart from his spouse at all times during the taxable year.

“(c) **UNEMPLOYMENT COMPENSATION DEFINED.**—For purposes of this section, the term ‘unemployment compensation’ means any amount received under a law of the United States or of a State which is in the nature of unemployment compensation.”

(b) **REPORTING OF UNEMPLOYMENT COMPENSATION PAYMENTS.**—Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

“SEC. 6050B. RETURNS RELATING TO UNEMPLOYMENT COMPENSATION. 26 USC 6050B.

“(a) **REQUIREMENT OF REPORTING.**—Every person who makes payments of unemployment compensation aggregating \$10 or more to any individual during any calendar year shall make a return according to the forms or regulations prescribed by the Secretary, setting forth the aggregate amounts of such payments and the name and address of the individual to whom paid.