

106TH CONGRESS
1ST SESSION

H. R. 3438

To repeal the 1993 tax increase on Social Security benefits.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 1999

Mr. NADLER (for himself and Mrs. LOWEY) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To repeal the 1993 tax increase on Social Security benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. REPEAL OF INCREASE IN TAX ON SOCIAL SECU-**
4 **RITY BENEFITS.**

5 (a) IN GENERAL.—Subsection (a) of section 86 of the
6 Internal Revenue Code of 1986 (relating to social security
7 and tier 1 railroad retirement benefits) is amended by
8 adding at the end the following new paragraph:

9 “(3) PHASEOUT OF ADDITIONAL AMOUNT.—In
10 the case of any taxable year beginning in a calendar
11 year after 1999 and before 2004, paragraph (2)
12 shall be applied by substituting the percentage deter-

1 mined under the following table for ‘85 percent’ each
 2 place it appears:

| “In the case of a taxable year beginning in calendar year: | The percentage is: |
|---|---------------------------|
| 2000 | 75 percent |
| 2001 | 65 percent |
| 2002 | 60 percent |
| 2003 | 55 percent.” |

3 (b) TERMINATION OF ADDITIONAL AMOUNT.—Para-
 4 graph (2) of section 86(a) is amended by adding at the
 5 end the following new flush sentence:

6 “This paragraph shall not apply to any taxable year
 7 beginning after December 31, 2003.”

8 (c) CONFORMING AMENDMENTS.—

9 (1) Paragraph (3) of section 871(a) is
 10 amended—

11 (A) by striking “85 percent” in subpara-
 12 graph (A) and inserting “50 percent”, and

13 (B) by inserting before the last sentence
 14 the following new flush sentence:

15 “In the case of any taxable year beginning in a cal-
 16 endar year after 1999 and before 2004, subpara-
 17 graph (A) shall be applied by substituting the per-
 18 centage determined for such calendar year under
 19 section 86(a)(3) for ‘50 percent’.”

20 (2)(A) Subparagraph (A) of section 121(e)(1)
 21 of the Social Security Amendments of 1983 (Public
 22 Law 98–21) is amended—

1 (i) by striking “(A) There” and inserting
2 “There”;

3 (ii) by striking “(i)” immediately following
4 “amounts equivalent to”; and

5 (iii) by striking “, less (ii)” and all that
6 follows and inserting a period.

7 (B) Paragraph (1) of section 121(e) of such Act
8 is amended by striking subparagraph (B).

9 (C) Paragraph (3) of section 121(e) of such Act
10 is amended by striking subparagraph (B) and by re-
11 designating subparagraph (C) as subparagraph (B).

12 (D) Paragraph (2) of section 121(e) of such
13 Act is amended in the first sentence by striking
14 “paragraph (1)(A)” and inserting “paragraph (1)”.

15 (d) EFFECTIVE DATE.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall apply to taxable years beginning after Decem-
19 ber 31, 1999.

20 (2) SUBSECTION (c)(2).—The amendments
21 made by subsection (c)(2) shall apply to tax liabil-
22 ities for taxable years beginning after December 31,
23 1999.

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