

107TH CONGRESS
1ST SESSION

H. R. 2548

To amend the Internal Revenue Code of 1986 to repeal the 1993 increase in income taxes on social security benefits.

IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2001

Mr. DOOLITTLE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the 1993 increase in income taxes 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 1993 INCREASE IN TAX ON SOCIAL**
4 **SECURITY BENEFITS.**

5 (a) IN GENERAL.—Paragraph (2) of section 86(a) of
6 the Internal Revenue Code of 1986 (relating to social se-
7 curity and tier 1 railroad retirement benefits) is amended
8 by adding at the end the following new sentence:

9 “*This paragraph shall not apply to any taxable year*
10 *beginning after December 31, 2000.*”

1 (b) CONFORMING AMENDMENTS.—

2 (1) Paragraph (3) of section 871(a) of such
3 Code is amended by striking “85 percent” in sub-
4 paragraph (A) and inserting “50 percent”.

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

8 (i) by striking “(A) There” and inserting
9 “There”;

10 (ii) by striking “(i)” immediately following
11 “amounts equivalent to”; and

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

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

16 (C) Paragraph (3) of section 121(e) of such Act
17 is amended by striking subparagraph (B) and by re-
18 designating subparagraph (C) as subparagraph (B).

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

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2000.

1 (d) REBATE OF 2000 TAXES ATTRIBUTABLE TO
2 1993 INCREASE.—

3 (1) IN GENERAL.—Subchapter B of chapter 65
4 of such Code (relating to abatements, credits, and
5 refunds) is amended by adding at the end the fol-
6 lowing new section:

7 **“SEC. 6429. REBATE OF 2000 TAXES ATTRIBUTABLE TO 1993**
8 **INCREASE IN TAX ON SOCIAL SECURITY BEN-**
9 **EFITS.**

10 “(a) IN GENERAL.—In the case of an individual,
11 there shall be allowed as a credit against the tax imposed
12 by this subtitle for the taxpayer’s first taxable year begin-
13 ning in 2001 an amount equal to the amount by which
14 the tax imposed by chapter 1 for the taxpayer’s first tax-
15 able year beginning in 2000 would be reduced if paragraph
16 (2) of section 86(a) had not applied for such taxable year.

17 “(b) COORDINATION WITH ADVANCE REFUNDS OF
18 CREDIT.—

19 “(1) IN GENERAL.—The amount of credit
20 which would (but for this paragraph) be allowable
21 under this section shall be reduced (but not below
22 zero) by the aggregate refunds and credits made or
23 allowed to the taxpayer under subsection (d). Any
24 failure to so reduce the credit shall be treated as

1 arising out of a mathematical or clerical error and
2 assessed according to section 6213(b)(1).

3 “(2) JOINT RETURNS.—In the case of a refund
4 or credit made or allowed under subsection (d) with
5 respect to a joint return, such refund or credit shall
6 be treated as having been made or allowed to each
7 individual filing such return in proportion to their
8 respective amounts of social security benefits (as de-
9 fined in section 86(d)) received during the tax-
10 payer’s first taxable year beginning in 2000.

11 “(c) COORDINATION WITH ESTIMATED TAX.—The
12 credit under this section shall be treated for purposes of
13 section 6654(f) in the same manner as a credit under sub-
14 part A of part IV of subchapter A of chapter 1.

15 “(d) ADVANCE REFUNDS OF CREDIT.—

16 “(1) IN GENERAL.—Each individual shall be
17 treated as having made a payment against the tax
18 imposed by chapter 1 for such individual’s first tax-
19 able year beginning in 2000 in an amount equal to
20 the advance refund amount for such taxable year.

21 “(2) ADVANCE REFUND AMOUNT.—For pur-
22 poses of paragraph (1), the advance refund amount
23 is the amount that would have been allowed as a
24 credit under this section for such first taxable year

1 if this section (other than subsection (b) and this
2 subsection) had applied to such taxable year.

3 “(3) TIMING OF PAYMENTS.—In the case of
4 any overpayment attributable to this subsection, the
5 Secretary shall, subject to the provisions of this title,
6 refund or credit such overpayment as rapidly as pos-
7 sible and, to the extent practicable, before October
8 1, 2001. No refund or credit shall be made or al-
9 lowed under this subsection after December 31,
10 2001.

11 “(4) NO INTEREST.—No interest shall be al-
12 lowed on any overpayment attributable to this sub-
13 section.”.

14 (2) CLERICAL AMENDMENT.—The table of sec-
15 tions for subchapter B of chapter 65 is amended by
16 adding at the end the following new item:

“Sec. 6429. Rebate of 2000 taxes attributable to 1993 increase
in tax on social security benefits.”.

○