

110TH CONGRESS  
2D SESSION

# H. R. 7309

To amend the Internal Revenue Code of 1986 to suspend employment and income taxes for the first two months of 2009, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 9, 2008

Mr. GOHMERT (for himself, Mr. SHADEGG, Mrs. BLACKBURN, Mr. CARTER, Mr. FRANKS of Arizona, Mr. PENCE, Mr. WESTMORELAND, Mr. SESSIONS, Mr. McCOTTER, Mrs. MYRICK, Mr. SALI, Mr. AKIN, Mr. MCHENRY, Mrs. DRAKE, Mrs. MCMORRIS RODGERS, Mrs. BACHMANN, Mr. GARRETT of New Jersey, Mr. PRICE of Georgia, Mr. PAUL, Mr. BURTON of Indiana, and Mr. MACK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to suspend employment and income taxes for the first two months of 2009, and for other purposes.

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. SUSPENSION OF EMPLOYMENT TAXES.**

4 (a) TAX ON EMPLOYEES.—Section 3101 of the Inter-  
5 nal Revenue Code of 1986 (relating to rate of tax) is

1 amended by adding at the end the following new sub-  
2 section:

3 “(d) SUSPENSION.—In the case of wages received for  
4 service performed during the period beginning on January  
5 1, 2009, and ending on February 28, 2009, the percentage  
6 under subsections (a) and (b) shall be zero percent.”.

7 (b) TAX ON EMPLOYERS.—Section 3111 of such  
8 Code (relating to rate of tax) is amended by adding at  
9 the end the following new subsection:

10 “(d) SUSPENSION.—In the case of wages paid for  
11 service performed during the period beginning on January  
12 1, 2009, and ending on February 28, 2009, the percentage  
13 under subsections (a) and (b) shall be zero percent.”.

14 (c) TAX ON SELF-EMPLOYMENT INCOME.—Section  
15 1401 of such Code (relating to rate of tax) is amended  
16 by adding at the end the following new subsection:

17 “(d) SUSPENSION.—In the case of self-employment  
18 income for service performed during the period beginning  
19 on January 1, 2009, and ending on February 28, 2009,  
20 the percentage under subsections (a) and (b) shall be zero  
21 percent.”.

22 (d) EFFECTIVE DATES.—

23 (1) The amendments made by subsections (a)  
24 and (b) shall apply to remuneration paid or received  
25 after December 31, 2008.

1           (2) The amendment made by subsection (c)  
2           shall apply to taxable years beginning after Decem-  
3           ber 31, 2008.

4 **SEC. 2. SUSPENSION OF INCOME TAXES.**

5           (a) IN GENERAL.—Part III of subchapter B of chap-  
6           ter 1 of the Internal Revenue Code of 1986 (relating to  
7           items specifically excluded from gross income) is amended  
8           by inserting after section 139B the following new section:

9 **“SEC. 139C. WAGE AND SELF-EMPLOYMENT INCOME.**

10           “In the case of an individual, gross income shall not  
11           include—

12                   “(1) any remuneration for service performed  
13                   during the period beginning on January 1, 2009,  
14                   and ending on February 28, 2009, by an employee  
15                   for his employer, including the cash value of all re-  
16                   muneration (including benefits) paid in any medium  
17                   other than cash wages (as defined in section 3121),  
18                   and

19                   “(2) any self-employment income (as defined in  
20                   section 1402) derived by such individual during such  
21                   period.”.

22           (b) CLERICAL AMENDMENT.—The table of sections  
23           for such part is amended by inserting after the item relat-  
24           ing to section 139B the following new item:

“Sec. 139C. Wage and self-employment income.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years ending after De-  
3 cember 31, 2008.

4 **SEC. 3. FUNDING OF SOCIAL SECURITY TRUST FUNDS WITH**  
5 **REPEALED TARP FUNDS.**

6 (a) REPEAL OF FINAL \$350 BILLION PURCHASE AU-  
7 THORITY UNDER TROUBLED ASSETS RELIEF PRO-  
8 GRAM.—Section 115 of the Emergency Economic Sta-  
9 bilization Act of 2008 (12 U.S.C. 5225) is amended—

10 (1) in subsection (a), by striking paragraph (3);

11 and

12 (2) by striking subsections (c), (d), (e), and (f).

13 (b) TRANSFER TO SOCIAL SECURITY TRUST  
14 FUNDS.—

15 (1) ESTIMATE OF SECRETARY.—The Secretary  
16 of the Treasury (in consultation with the Secretary  
17 of Health and Human Services and the Commis-  
18 sioner of Social Security, as appropriate) shall esti-  
19 mate the impact that the enactment of this Act has  
20 on the income and balances of the Federal Old-Age  
21 and Survivors Insurance Trust Fund, the Federal  
22 Disability Insurance Trust Fund, and the Federal  
23 Hospital Insurance Trust Fund.

24 (2) TRANSFER OF FUNDS.—If, under sub-  
25 section (a), the Secretary of the Treasury estimates

1 that the enactment of this Act has a negative impact  
2 on the income and balances of any of such funds,  
3 the Secretary shall transfer from the general reve-  
4 nues of the Federal Government such sums as may  
5 be necessary so as to ensure that the income and  
6 balances of such funds are not reduced as a result  
7 of the enactment of this Act.

8 **SEC. 4. IMMEDIATE TERMINATION OF TARP PURCHASE AU-**  
9 **THORITY.**

10 (a) **IN GENERAL.**—The authorities provided under  
11 section 101(a) of the Emergency Economic Stabilization  
12 Act of 2008 (12 U.S.C. 5211), excluding section 101(a)(3)  
13 of such Act, shall terminate immediately upon the enact-  
14 ment of this Act.

15 (b) **RULE OF CONSTRUCTION.**—The termination  
16 under subsection (a) shall apply to any authority of the  
17 Secretary of the Treasury under the Emergency Economic  
18 Stabilization Act of 2008 to purchase preferred or other  
19 stock or equity in any financial institution.

20 (c) **CONFORMING AMENDMENT.**—The Emergency  
21 Economic Stabilization Act of 2008 is amended by strik-  
22 ing section 120 (12 U.S.C. 5230).

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