

119TH CONGRESS
1ST SESSION

H. R. 609

To amend the Social Security Act and the Internal Revenue Code of 1986 to include net investment income tax imposed in the Federal Hospital Insurance Trust Fund and to modify the net investment income tax.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2025

Mr. DOGGETT (for himself, Ms. ADAMS, Ms. BARRAGÁN, Mr. BOYLE of Pennsylvania, Ms. BROWNLEY, Mr. CARSON, Mr. CASAR, Mr. CASTRO of Texas, Ms. CHU, Mr. COHEN, Mr. DAVIS of Illinois, Ms. DEGETTE, Ms. DELAURO, Mr. DELUZIO, Mrs. DINGELL, Ms. ESCOBAR, Mr. ESPAILLAT, Mr. FIELDS, Mr. FROST, Mr. GARAMENDI, Mr. GOLDMAN of New York, Mr. GRIJALVA, Mr. HUFFMAN, Ms. JAYAPAL, Mr. JOHNSON of Georgia, Mr. KHANNA, Ms. LEE of Pennsylvania, Mr. LEVIN, Ms. MOORE of Wisconsin, Ms. NORTON, Ms. OCASIO-CORTEZ, Ms. PINGREE, Mr. POCAN, Mrs. RAMIREZ, Ms. SALINAS, Ms. SÁNCHEZ, Ms. SCHAKOWSKY, Ms. TLAIB, Mr. TONKO, Mr. TURNER of Texas, Mr. VEASEY, Ms. VELÁZQUEZ, Ms. WILLIAMS of Georgia, and Ms. WILSON of Florida) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Social Security Act and the Internal Revenue Code of 1986 to include net investment income tax imposed in the Federal Hospital Insurance Trust Fund and to modify the net investment income tax.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Assuring Medicare’s
3 Promise Act of 2025”.

4 **SEC. 2. INCLUSION OF NET INVESTMENT INCOME TAX IN**
5 **HOSPITAL INSURANCE TRUST FUND.**

6 (a) IN GENERAL.—Section 1817(a) of the Social Se-
7 curity Act (42 U.S.C. 1395i(a)) is amended—

8 (1) by striking “and” at the end of paragraph
9 (1);

10 (2) by striking the period at the end of para-
11 graph (2) and inserting “; and”; and

12 (3) by inserting after paragraph (2) the fol-
13 lowing new paragraph:

14 “(3) the taxes imposed by section 1411 of the Inter-
15 nal Revenue Code of 1986 reported to the Secretary of
16 the Treasury or the Secretary’s delegate on tax returns
17 under subtitle F of such Code.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply with respect to taxes imposed for
20 taxable years beginning after December 31, 2025.

21 **SEC. 3. APPLICATION OF NET INVESTMENT INCOME TAX TO**
22 **TRADE OR BUSINESS INCOME OF CERTAIN**
23 **HIGH INCOME INDIVIDUALS.**

24 (a) IN GENERAL.—Section 1411 of the Internal Rev-
25 enue Code of 1986 is amended by adding at the end the
26 following new subsection:

1 “(f) APPLICATION TO CERTAIN HIGH INCOME INDIVIDUALS.—

2
3 “(1) IN GENERAL.—In the case of any individual whose modified adjusted gross income for the
4 taxable year exceeds the high income threshold
5 amount, subsection (a)(1) shall be applied by substituting ‘the greater of specified net income or net
6 investment income’ for ‘net investment income’ in
7 subparagraph (A) thereof.

8
9 “(2) PHASE-IN OF INCREASE.—The increase in
10 the tax imposed under subsection (a)(1) by reason of
11 the application of paragraph (1) of this subsection
12 shall not exceed the amount which bears the same
13 ratio to the amount of such increase (determined
14 without regard to this paragraph) as—

15
16 “(A) the excess described in paragraph (1),
17 bears to

18 “(B) \$100,000 ($\frac{1}{2}$ such amount in the
19 case of a married taxpayer (as defined in section 7703) filing a separate return).

20
21 “(3) HIGH INCOME THRESHOLD AMOUNT.—For
22 purposes of this subsection, the term ‘high income
23 threshold amount’ means—

24 “(A) except as provided in subparagraph
25 (B) or (C), \$400,000,

1 “(B) in the case of a taxpayer making a
2 joint return under section 6013 or a surviving
3 spouse (as defined in section 2(a)), \$500,000,
4 and

5 “(C) in the case of a married taxpayer (as
6 defined in section 7703) filing a separate re-
7 turn, $\frac{1}{2}$ of the dollar amount determined under
8 subparagraph (B).

9 “(4) SPECIFIED NET INCOME.—For purposes of
10 this section, the term ‘specified net income’ means
11 net investment income determined—

12 “(A) without regard to the phrase ‘other
13 than such income which is derived in the ordi-
14 nary course of a trade or business not described
15 in paragraph (2),’ in subsection (c)(1)(A)(i),

16 “(B) without regard to the phrase ‘de-
17 scribed in paragraph (2)’ in subsection
18 (c)(1)(A)(ii),

19 “(C) without regard to the phrase ‘other
20 than property held in a trade or business not
21 described in paragraph (2)’ in subsection
22 (c)(1)(A)(iii),

23 “(D) without regard to paragraphs (2),
24 (3), and (4) of subsection (c), and

1 “(E) by treating paragraphs (5) and (6) of
 2 section 469(c) (determined without regard to
 3 the phrase ‘To the extent provided in regula-
 4 tions,’ in such paragraph (6)) as applying for
 5 purposes of subsection (c) of this section.”.

6 (b) APPLICATION TO TRUSTS AND ESTATES.—Sec-
 7 tion 1411(a)(2)(A) of such Code is amended by striking
 8 “undistributed net investment income” and inserting “the
 9 greater of undistributed specified net income or undistrib-
 10 uted net investment income”.

11 (c) CLARIFICATIONS WITH RESPECT TO DETER-
 12 MINATION OF NET INVESTMENT INCOME.—

13 (1) CERTAIN EXCEPTIONS.—Section 1411(c)(6)
 14 of such Code is amended to read as follows:

15 “(6) SPECIAL RULES.—Net investment income
 16 shall not include—

17 “(A) any item taken into account in deter-
 18 mining self-employment income for such taxable
 19 year on which a tax is imposed by section
 20 1401(b),

21 “(B) wages received with respect to em-
 22 ployment on which a tax is imposed under sec-
 23 tion 3101(b) or 3201(a) (including amounts
 24 taken into account under section 3121(v)(2)),
 25 and

1 “(C) wages received from the performance
2 of services earned outside the United States for
3 a foreign employer.”.

4 (2) NET OPERATING LOSSES NOT TAKEN INTO
5 ACCOUNT.—Section 1411(c)(1)(B) of such Code is
6 amended by inserting “(other than section 172)”
7 after “this subtitle”.

8 (3) INCLUSION OF CERTAIN FOREIGN IN-
9 COME.—

10 (A) IN GENERAL.—Section 1411(c)(1)(A)
11 of such Code is amended by striking “and” at
12 the end of clause (ii), by striking “over” at the
13 end of clause (iii) and inserting “and”, and by
14 adding at the end the following new clause:

15 “(iv) any amount includible in gross
16 income under section 951, 951A, 1293, or
17 1296, over”.

18 (B) PROPER TREATMENT OF CERTAIN
19 PREVIOUSLY TAXED INCOME.—Section 1411(c)
20 of such Code is amended by adding at the end
21 the following new paragraph:

22 “(7) CERTAIN PREVIOUSLY TAXED INCOME.—
23 The Secretary shall issue regulations or other guid-
24 ance providing for the treatment of—

1 “(A) distributions of amounts previously
2 included in gross income for purposes of chap-
3 ter 1 but not previously subject to tax under
4 this section, and

5 “(B) distributions described in section
6 962(d).”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 (e) TRANSITION RULE.—The regulations or other
11 guidance issued by the Secretary under section 1411(c)(7)
12 of the Internal Revenue Code of 1986 (as added by this
13 section) shall include provisions which provide for the
14 proper coordination and application of clauses (i) and (iv)
15 of section 1411(c)(1)(A) with respect to—

16 (1) taxable years beginning on or before De-
17 cember 31, 2025, and

18 (2) taxable years beginning after such date.

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