119TH CONGRESS
2D SESSION

S. 5085

To amend the Internal Revenue Code of 1986 to apply inflation adjustments to the additional hospital insurance tax on high income taxpayers.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2026

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to apply inflation adjustments to the additional hospital insurance tax on high income taxpayers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INFLATION ADJUSTMENT.

(a) EMPLOYMENT TAXES.—Section 3101 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(d) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any calendar year beginning after 2026, each of the dollar amounts in subparagraphs (A) and (C) of subsection (b)(2) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for such calendar year, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $1,000, such amount shall be rounded to the next highest multiple of $1,000.".

(b) SELF-EMPLOYMENT TAXES.—Section 1401 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(d) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after 2026, each of the dollar amounts in clauses (i) and (iii) of subsection (b)(2)(A) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $1,000, such amount shall be rounded to the next highest multiple of $1,000.".