

107TH CONGRESS
1ST SESSION

H. R. 2106

To amend the Internal Revenue Code of 1986 to increase the amount of
Social Security benefits which are exempt from taxation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2001

Mr. LARSON of Connecticut 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 increase
the amount of Social Security benefits which are exempt
from taxation.

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. SHORT TITLE.**

4 This Act may be cited as the “Social Security Bene-
5 fits Tax Relief Act of 2001”.

6 **SEC. 2. INCREASE IN ADJUSTED BASE AMOUNT CONTIN-**
7 **MENT ON AVAILABILITY OF BUDGET SUR-**
8 **PLUSES.**

9 (a) IN GENERAL.—Section 86 of the Internal Rev-
10 enue Code of 1986 (relating to social security and tier 1

1 railroad retirement benefits) is amended by adding at the
 2 end the following new subsection:

3 “(g) INCREASE IN ADJUSTED BASE AMOUNT CON-
 4 TINGENT ON AVAILABILITY OF BUDGET SURPLUSES.—

5 “(1) IN GENERAL.—For any taxable year be-
 6 ginning after December 31, 2001, subsection (c)(2)
 7 shall be applied—

8 “(A) by substituting ‘\$80,000’ for
 9 ‘\$34,000’ in subparagraph (A) thereof, and

10 “(B) by substituting ‘\$100,000’ for
 11 ‘\$44,000’ in subparagraph (B) thereof.

12 “(2) CONTINGENCY.—

13 “(A) IN GENERAL.—Paragraph (1) shall
 14 apply to taxable years beginning in any cal-
 15 endar year only if the Secretary of the Treasury
 16 certifies (before the close of such calendar year)
 17 that the condition specified in subparagraph
 18 (B) is met with respect to such calendar year.

19 “(B) CONDITION.—The condition specified
 20 in this subparagraph is met for any calendar
 21 year if the projected on-budget surplus for the
 22 fiscal year beginning in such calendar year (de-
 23 termined by excluding the receipts and dis-
 24 bursements of part A of the medicare program)
 25 is greater than the projected appropriations

1 that would be required by section 3 of the So-
2 cial Security Benefits Tax Relief Act of 2001
3 for such fiscal year if paragraph (1) had been
4 in effect for all taxable years after 2001.”.

5 (b) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2001.

8 **SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL IN-**
9 **SURANCE TRUST FUND.**

10 (a) IN GENERAL.—There are hereby appropriated to
11 the Hospital Insurance Trust Fund established under sec-
12 tion 1817 of the Social Security Act amounts equal to the
13 reduction in revenues to the Treasury by reason of the
14 enactment of this Act. Amounts appropriated by the pre-
15 ceding sentence shall be transferred from the general fund
16 at such times and in such manner as to replicate to the
17 extent possible the transfers which would have occurred
18 to such Trust Fund had this Act not been enacted.

19 (b) REPORTS.—The Secretary of the Treasury or the
20 Secretary’s delegate shall annually report to the Com-
21 mittee on Ways and Means of the House of Representa-
22 tives and the Committee on Finance of the Senate the
23 amounts and timing of the transfers under this section.

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