

108TH CONGRESS
1ST SESSION

H. R. 2346

To amend the Internal Revenue Code of 1986 to repeal the inclusion in gross income of Social Security benefits and tier 1 railroad retirement benefits.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2003

Mr. FRANKS of Arizona 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 inclusion in gross income of Social Security benefits and tier 1 railroad retirement 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. SHORT TITLE.**

4 This Act may be cited as the “Seniors Financial Se-
5 curity Act of 2003”.

1 “(A) the amount of the annuity under the
2 Railroad Retirement Act of 1974 equal to the
3 amount of the benefit to which the taxpayer
4 would have been entitled under the Social Secu-
5 rity Act if all of the service after December 31,
6 1936, of the employee (on whose employment
7 record the annuity is being paid) had been in-
8 cluded in the term ‘employment’ as defined in
9 the Social Security Act, and

10 “(B) a monthly annuity amount under sec-
11 tion 3(f)(3) of the Railroad Retirement Act of
12 1974.”.

13 (3) Sections 135(c)(4)(B), 137(b)(3)(B),
14 221(b)(2)(C)(ii), and 222(b)(2)(C)(ii) of such Code
15 are each amended by striking “86,”.

16 (4) Clause (i) of section 219(g)(3)(A) of such
17 Code is amended by striking “sections 86 and 469”
18 and inserting “section 469”.

19 (5) Subparagraph (F) of section 469(i)(3) of
20 such Code is amended by striking clause (i) and by
21 redesignating clauses (ii), (iii), and (iv) as clauses
22 (i), (ii), and (iii), respectively.

23 (6) Paragraph (8) of section 861(a) of such
24 Code (treating social security benefits as United
25 States sourced) is hereby repealed.

1 (7) Paragraph (3) of section 871(a) of such
2 Code (relating to taxation of social security benefits
3 by nonresident aliens) is hereby repealed.

4 (8) Subsection (g) of section 1441 of such Code
5 (relating to withholding of tax on nonresident aliens)
6 is hereby repealed.

7 (9) Subparagraph (C) of section 3402(p)(1) of
8 such Code is amended by striking clause (i) and by
9 redesignating clauses (ii), (iii), and (iv) as clauses
10 (i), (ii), and (iii), respectively.

11 (10) Paragraph (4) of section 6015(d) of such
12 Code is amended by striking the last sentence.

13 (11) Section 6050F of such Code (relating to
14 returns relating to social security benefits) is hereby
15 repealed.

16 (12) Paragraph (1) of section 6050G(a) of such
17 Code (relating to returns relating to certain railroad
18 retirement benefits) is amended by striking “section
19 86(d)(4)” and inserting “section 72(r)(3)”.

20 (13)(A) Section 6103(h) of such Code (relating
21 to disclosure) is amended by striking paragraph (5)
22 and by redesignating paragraph (6) as paragraph
23 (5).

1 (B) Paragraph (4) of section 6103(p) of such
2 Code is amended by striking “(h)(5),” each place it
3 appears.

4 (C) Subsection (k) of section 1113 of the Right
5 to Financial Privacy Act of 1978 is hereby repealed.

6 (14) The table of sections for part II of sub-
7 chapter B of chapter 1 of such Code is amended by
8 striking the item relating to section 86.

9 (15) The table of sections for subpart B of part
10 III of subchapter A of chapter 61 of such Code is
11 amended by striking the item relating to section
12 6050F.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to benefits received after December
15 31, 2002, in taxable years ending after such date.

16 (d) TRUST FUNDS HELD HARMLESS.—There are
17 hereby appropriated (out of any money in the Treasury
18 not otherwise appropriated) for each fiscal year to each
19 fund under the Social Security Act or the Railroad Retire-
20 ment Act of 1974 an amount equal to the reduction in
21 the transfers to such fund for such fiscal year by reason
22 of the amendments made by this section.

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