

108TH CONGRESS
1ST SESSION

H. R. 378

To amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2003

Mrs. MUSGRAVE 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 1993 income tax increase on Social Security benefits, 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. SHORT TITLE.**

4 This Act may be cited as the “Senior Citizens’ Tax
5 Relief Act of 2003”.

6 **SEC. 2. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL**
7 **SECURITY BENEFITS.**

8 (a) RESTORATION OF PRIOR LAW FORMULA.—Sub-
9 section (a) of section 86 of the Internal Revenue Code of
10 1986 is amended to read as follows:

1 “(a) IN GENERAL.—Gross income for the taxable
2 year of any taxpayer described in subsection (b) (notwith-
3 standing section 207 of the Social Security Act) includes
4 Social Security benefits in an amount equal to the lesser
5 of—

6 “(1) one-half of the Social Security benefits re-
7 ceived during the taxable year, or

8 “(2) one-half of the excess described in sub-
9 section (b)(1).”

10 (b) REPEAL OF ADJUSTED BASE AMOUNT.—Sub-
11 section (c) of section 86 of such Code is amended to read
12 as follows:

13 “(c) BASE AMOUNT.—For purposes of this section,
14 the term ‘base amount’ means—

15 “(1) except as otherwise provided in this sub-
16 section, \$34,000,

17 “(2) \$44,000 in the case of a joint return, and

18 “(3) zero in the case of a taxpayer who—

19 “(A) is married as of the close of the tax-
20 able year (within the meaning of section 7703)

21 but does not file a joint return for such year,

22 and

23 “(B) does not live apart from his spouse at
24 all times during the taxable year.”

25 (c) CONFORMING AMENDMENTS.—

1 (1) Subparagraph (A) of section 871(a)(3) of
2 such Code is amended by striking “85 percent” and
3 inserting “50 percent”.

4 (2)(A) Subparagraph (A) of section 121(e)(1)
5 of the Social Security Amendments of 1983 (Public
6 Law 98–21) is amended—

7 (i) by striking “(A) There” and inserting
8 “There”;

9 (ii) by striking “(i)” immediately following
10 “amounts equivalent to”; and

11 (iii) by striking “, less (ii)” and all that
12 follows and inserting a period.

13 (B) Paragraph (1) of section 121(e) of such Act
14 is amended by striking subparagraph (B).

15 (C) Paragraph (3) of section 121(e) of such Act
16 is amended by striking subparagraph (B) and by re-
17 designating subparagraph (C) as subparagraph (B).

18 (D) Paragraph (2) of section 121(e) of such
19 Act is amended in the first sentence by striking
20 “paragraph (1)(A)” and inserting “paragraph (1)”.

21 (d) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as otherwise pro-
23 vided in this subsection, the amendments made by
24 this section shall apply to taxable years beginning
25 after December 31, 2002.

1 (2) SUBSECTION (c)(1).—The amendment made
2 by subsection (c)(1) shall apply to benefits paid after
3 December 31, 2002.

4 (3) SUBSECTION (c)(2).—The amendments
5 made by subsection (c)(2) shall apply to tax liabil-
6 ities for taxable years beginning after December 31,
7 2002.

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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