

108TH CONGRESS
1ST SESSION

H. R. 434

To amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2003

Mr. SAM JOHNSON of Texas (for himself, Mr. AKIN, Mr. BURR, Mr. DEMINT, Mr. KNOLLENBERG, Mr. MICA, Mr. NEY, Mr. SMITH of New Jersey, Mr. TOOMEY, and Mr. WILSON of South Carolina) 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.

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 2003”.

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

3 (a) RESTORATION OF PRIOR LAW FORMULA.—Sub-
4 section (a) of section 86 of the Internal Revenue Code of
5 1986 is amended to read as follows:

6 “(a) IN GENERAL.—Gross income for the taxable
7 year of any taxpayer described in subsection (b) (notwith-
8 standing section 207 of the Social Security Act) includes
9 Social Security benefits in an amount equal to the lesser
10 of—

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

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

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

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

20 “(1) except as otherwise provided in this sub-
21 section, \$25,000,

22 “(2) \$32,000 in the case of a joint return, and

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

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

1 but does not file a joint return for such year,
2 and

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

5 (e) CONFORMING AMENDMENTS.—

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

9 (2)(A) Subparagraph (A) of section 121(e)(1)
10 of the Social Security Amendments of 1983 (Public
11 Law 98–21) is amended—

12 (i) by striking “(A) There” and inserting
13 “There”;

14 (ii) by striking “(i)” immediately following
15 “amounts equivalent to”; and

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

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

20 (C) Paragraph (3) of section 121(e) of such Act
21 is amended by striking subparagraph (B) and by re-
22 designating subparagraph (C) as subparagraph (B).

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

1 (d) EFFECTIVE DATES.—

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

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

9 (3) SUBSECTION (c)(2).—The amendments
10 made by subsection (c)(2) shall apply to tax liabil-
11 ities for taxable years beginning after December 31,
12 2002.

13 **SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL IN-**
14 **SURANCE TRUST FUND.**

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

24 (b) REPORTS.—The Secretary of the Treasury or the
25 Secretary's delegate shall annually report to the Com-

1 mittee on Ways and Means of the House of Representa-
2 tives and the Committee on Finance of the Senate the
3 amounts and timing of the transfers under this section.

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