

114TH CONGRESS
2D SESSION

H. R. 5830

To amend the Internal Revenue Code of 1986 to apply payroll taxes to remuneration and earnings from self-employment up to the contribution and benefit base and to remuneration in excess of \$250,000.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2016

Mr. DEFazio 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 apply payroll taxes to remuneration and earnings from self-employment up to the contribution and benefit base and to remuneration in excess of \$250,000.

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 “No Loopholes in Social
5 Security Taxes Act”.

1 **SEC. 2. PAYROLL TAX ON REMUNERATION UP TO CON-**
2 **TRIBUTION AND BENEFIT BASE AND MORE**
3 **THAN \$250,000.**

4 (a) IN GENERAL.—Paragraph (1) of section 3121(a)
5 of the Internal Revenue Code of 1986 is amended by in-
6 serting after “such calendar year.” the following: “The
7 preceding sentence shall apply only to calendar years for
8 which the contribution and benefit base (as so determined)
9 is less than \$250,000, and, for such calendar years, only
10 to so much of the remuneration paid to such employee
11 by such employer with respect to employment as does not
12 exceed \$250,000.”.

13 (b) CONFORMING AMENDMENT.—Paragraph (1) of
14 section 3121(a) of the Internal Revenue Code of 1986 is
15 amended by striking “Act) to” and inserting “Act), or in
16 excess of \$250,000, to”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to remuneration paid after Decem-
19 ber 31, 2016.

20 **SEC. 3. TAX ON NET EARNINGS FROM SELF-EMPLOYMENT**
21 **UP TO CONTRIBUTION AND BENEFIT BASE**
22 **AND MORE THAN \$250,000.**

23 (a) IN GENERAL.—Paragraph (1) of section 1402(b)
24 of the Internal Revenue Code of 1986 is amended to read
25 as follows:

1 “(1) in the case of the tax imposed by section
2 1401(a), the excess of—

3 “(A) that part of the net earnings from
4 self-employment which is in excess of—

5 “(i) an amount equal to the contribu-
6 tion and benefit base (as determined under
7 section 230 of the Social Security Act)
8 which is effective for the calendar year in
9 which such taxable year begins, minus

10 “(ii) the amount of the wages paid to
11 such individual during such taxable years;
12 over

13 “(B) that part of the net earnings from
14 self-employment which is in excess of the sum
15 of—

16 “(i) the excess of—

17 “(I) the net earning from self-
18 employment reduced by the excess (if
19 any) of subparagraph (A)(i) over sub-
20 paragraph (A)(ii), over

21 “(II) \$250,000, reduced by such
22 contribution and benefit base, plus

23 “(ii) the amount of the wages paid to
24 such individual during such taxable year in

1 excess of such contribution and benefit
2 base and not in excess of \$250,000; or”.

3 (b) PHASEOUT.—Subsection (b) of section 1402 of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following: “Paragraph (1) shall apply only
6 to taxable years beginning in calendar years for which the
7 contribution and benefit base (as determined under section
8 230 of the Social Security Act) is less than \$250,000.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to net earnings from self-employ-
11 ment derived, and remuneration paid, after December 31,
12 2016.

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