

118TH CONGRESS
2D SESSION

S. 5603

To amend the Internal Revenue Code of 1986 to increase the threshold amounts for inclusion of Social Security benefits in income, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 19 (legislative day, DECEMBER 16), 2024

Mrs. BLACKBURN (for herself and Mr. MARSHALL) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the threshold amounts for inclusion of Social Security benefits in income, 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 “Reducing Excessive
5 Taxation and Inefficiencies by Reforming Elder Exemp-
6 tions to Support Fairness, Inflation Relief, and Simpler
7 Taxes Act” or the “RETIREES FIRST Act”.

1 **SEC. 2. INCREASE IN THRESHOLD AMOUNTS FOR INCLU-**
 2 **SION OF SOCIAL SECURITY BENEFITS IN IN-**
 3 **COME.**

4 (a) IN GENERAL.—Subsection (a) of section 86 of the
 5 Internal Revenue Code of 1986 is amended to read as fol-
 6 lows:

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

12 “(1) 85 percent of the Social Security benefits
 13 received during the taxable year, or

14 “(2) 85 percent of the excess described in sub-
 15 section (b)(1).”.

16 (b) BASE AMOUNT.—Subsection (c) of section 86 of
 17 such Code is amended to read as follows:

18 “(c) BASE AMOUNT.—

19 “(1) IN GENERAL.—For purposes of this sec-
 20 tion, the term ‘base amount’ means—

21 “(A) except as otherwise provided in this
 22 subsection, \$34,000,

23 “(B) \$68,000 in the case of a joint return,
 24 and

25 “(C) zero in the case of a taxpayer who—

1 “(i) is married as of the close of the
 2 taxable year (within the meaning of section
 3 7703) but does not file a joint return for
 4 such year, and

5 “(ii) does not live apart from his
 6 spouse at all times during the taxable year.

7 “(2) INFLATION ADJUSTMENT.—

8 “(A) IN GENERAL.—In the case of any
 9 taxable year beginning after 2024, each of the
 10 dollar amounts in paragraph (1) shall be in-
 11 creased by an amount equal to—

12 “(i) such dollar amount, multiplied by

13 “(ii) the cost-of-living adjustment de-
 14 termined under section 1(f)(3) for the cal-
 15 endar year, determined by substituting
 16 ‘calendar year 2023’ for ‘calendar year
 17 2016’ in subparagraph (A)(ii) thereof.

18 “(B) ROUNDING.—If any amount deter-
 19 mined under subparagraph (A) is not a multiple
 20 of \$1,000, such amount shall be rounded to the
 21 nearest multiple of \$1,000.”.

22 (c) SOCIAL SECURITY TRUST FUNDS HELD HARM-
 23 LESS.—There are hereby appropriated (out of any money
 24 in the Treasury not otherwise appropriated) for each fiscal
 25 year to each fund under the Social Security Act or the

1 Railroad Retirement Act of 1974 an amount equal to the
 2 reduction in the transfers to such fund for such fiscal year
 3 by reason of the amendments made by this section.

4 (d) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years beginning after
 6 December 31, 2024.

7 **SEC. 3. REALLOCATING NON-SECURITY DISCRETIONARY**
 8 **APPROPRIATIONS TO SUPPORT RETIREE TAX**
 9 **RELIEF.**

10 (a) RESCISSION.—Subject to subsection (c), for fiscal
 11 year 2026, and each fiscal year thereafter, effective on the
 12 day after the date on which appropriations are made avail-
 13 able through September 30 of the applicable fiscal year
 14 for the entire Federal Government, there is rescinded an
 15 amount equal to the total cost for such fiscal year, on a
 16 pro rata basis, from amounts made available through reg-
 17 ular appropriation Acts.

18 (b) REGULAR APPROPRIATION ACT.—For purposes
 19 of this section, the term “regular appropriation Act”—

20 (1) means an annual appropriation Act (as de-
 21 scribed in section 105 of title 1, United States Code)
 22 providing new budget authority (as defined in sec-
 23 tion 3 of the Congressional Budget and Impound-
 24 ment Control Act of 1974 (2 U.S.C. 622)) for the
 25 programs, projects, and activities under the jurisdic-

1 tion of a subcommittee of the Committee on Appro-
2 priations of the Senate; and

3 (2) includes—

4 (A) a title, division, or other subdivision of
5 an Act or resolution that, if it were a separate
6 Act, would be an Act described in paragraph
7 (1); and

8 (B) a resolution or Act, or a title, division,
9 or other subdivision of a resolution or Act, mak-
10 ing continuing appropriations for all, or a por-
11 tion of, a fiscal year.

12 (c) EXCLUSION.—Subsection (a) shall not apply with
13 respect to any discretionary appropriations included in the
14 security category (as defined in Section 250(c) of the Bal-
15 anced Budget and Emergency Deficit Control Act of 1985
16 (2 U.S.C. 900(c))).

17 (d) TOTAL COST.—For purposes of this section, the
18 term “total cost” means, with respect to a fiscal year, an
19 amount (as determined by the Secretary of the Treasury)
20 equal to the total reduction in the transfers to each fund
21 under the Social Security Act or the Railroad Retirement
22 Act of 1974 for such fiscal year by reason of the amend-
23 ments made by section 2(b) (as determined without re-
24 spect to any appropriation made pursuant to section 2(c)).

1 (e) OMB REPORT.—Not later than January 1, 2027,
2 and annually thereafter, the Director of the Office of Man-
3 agement and Budget shall publish a report detailing any
4 rescissions made under this section with respect to the
5 most recently completed fiscal year.

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