

104TH CONGRESS
1ST SESSION

H. R. 1775

To amend the Internal Revenue Code of 1986 to provide for the restoration of the prior law formula for the inclusion in gross income of social security and tier 1 railroad retirement benefits.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1995

Mr. NADLER (for himself, Mr. ENGEL, Mrs. MALONEY, and Mrs. LOWEY) 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 provide for the restoration of the prior law formula for the inclusion in gross income of social security 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,*

1 **SECTION 1. RESTORATION OF PRIOR LAW FORMULA FOR**
2 **INCLUSION IN GROSS INCOME OF SOCIAL SE-**
3 **CURITY AND TIER 1 RAILROAD RETIREMENT**
4 **BENEFITS.**

5 (a) RESTORATION OF PRIOR LAW INCLUSION FOR-
6 MULA.—Subsection (a) of section 86 of the Internal Reve-
7 nue Code of 1986 is amended to read as follows:

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

13 “(1) one-half of the social security benefits re-
14 ceived during the taxable year, or

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

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

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

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

24 “(2) \$32,000 in the case of a joint return, and

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

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

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

7 (c) CONFORMING AMENDMENT.—Subparagraph (A)
8 of section 871(a)(3) of such Code is amended by striking
9 “85 percent” and inserting “50 percent”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years ending after the
12 date of the enactment of this Act.

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