105TH CONGRESS 2D SESSION S. 2515

To amend the Internal Revenue Code of 1986 to increase the amount of Social Security benefits exempt from tax for single taxpayers.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1998

Mr. REID 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 amount of Social Security benefits exempt from tax for single taxpayers.
 - 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 Citizen Tax Reduc-

5 tion Act of 1998".

6 SEC. 2. INCREASE IN AMOUNT OF BENEFITS EXEMPT FROM

- 7 **TAX.**
- 8 (a) IN GENERAL.—
- 9 (1) BASE AMOUNT INCREASE.—Subsection
 10 (c)(1) of section 86 (relating to Social Security and

1	tier 1 railroad retirement benefits) is amended by
2	striking subparagraphs (A) and (B) and inserting
3	the following new subparagraph:
4	"(A) except as provided in subparagraph
5	(B), \$32,000, and".
6	(2) Adjusted base amount increase.—Sub-
7	section $(c)(2)$ of section 86 of the Internal Revenue
8	Code of 1986 is amended by striking subparagraphs
9	(A) and (B) and inserting the following new sub-
10	paragraph:
11	"(A) except as provided in subparagraph
12	(B), \$44,000, and".
13	(b) Clerical Amendments.—
14	(1) Section $86(c)(1)$ of such Code is amended
15	by redesignating subparagraph (C) as subparagraph
16	(B).
17	(2) Section $86(c)(2)$ of such Code is amended
18	by—
19	(A) redesignating subparagraph (C) as
20	subparagraph (B), and
21	(B) striking "(1)(C)" and inserting
22	''(1)(B)''.
23	(c) EFFECTIVE DATE.—The amendments made by
24	this section shall apply to taxable years beginning after
25	December 31, 1998.

1 SEC. 3. SOCIAL SECURITY TRUST FUNDS HELD HARMLESS.

(a) IN GENERAL.—Paragraph (1)(A) of section
121(e) of the Social Security Amendments of 1983 (Public
Law 92–21) is amended by adding at the end the following: "The tax liabilities described in clause (i) shall be determined without regard to the amendments made by the
Senior Citizen Tax Reduction Act of 1998.".

8 (b) NO TAX INCREASES.—It is the sense of the Con9 gress that tax increases should not be used to provide the
10 revenue necessary to carry out subsection (a).

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