

106TH CONGRESS
2D SESSION

H. R. 4865

AN ACT

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

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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. SHORT TITLE.**

2 This Act may be cited as the “Social Security Bene-
3 fits Tax Relief Act of 2000”.

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

6 (a) RESTORATION OF PRIOR LAW FORMULA.—Sub-
7 section (a) of section 86 of the Internal Revenue Code of
8 1986 is amended to read as follows:

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

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

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

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

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

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

25 “(2) \$32,000 in the case of a joint return, and

26 “(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 AMENDMENTS.—

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

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

14 (i) by striking “(A) There” and inserting
15 “‘There’”;

16 (ii) by striking “(i)” immediately following
17 “amounts equivalent to”; and

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

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

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

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

4 (d) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as otherwise pro-
6 vided in this subsection, the amendments made by
7 this section shall apply to taxable years beginning
8 after December 31, 2000.

9 (2) SUBSECTION (c)(1).—The amendment made
10 by subsection (c)(1) shall apply to benefits paid after
11 December 31, 2000.

12 (3) SUBSECTION (c)(2).—The amendments
13 made by subsection (c)(2) shall apply to tax liabil-
14 ities for taxable years beginning after December 31,
15 2000.

16 **SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL IN-**
17 **SURANCE TRUST FUND.**

18 (a) IN GENERAL.—There are hereby appropriated to
19 the Hospital Insurance Trust Fund established under sec-
20 tion 1817 of the Social Security Act amounts equal to the
21 reduction in revenues to the Treasury by reason of the
22 enactment of this Act. Amounts appropriated by the pre-
23 ceding sentence shall be transferred from the general fund
24 at such times and in such manner as to replicate to the

1 extent possible the transfers which would have occurred
2 to such Trust Fund had this Act not been enacted.

3 (b) REPORTS.—The Secretary of the Treasury or the
4 Secretary's delegate shall annually report to the Com-
5 mittee on Ways and Means of the House of Representa-
6 tives and the Committee on Finance of the Senate the
7 amounts and timing of the transfers under this section.

Passed the House of Representatives July 27, 2000.

Attest:

Clerk.