

108TH CONGRESS  
1ST SESSION

# S. 88

To amend the Internal Revenue Code of 1986 to suspend future reductions of income tax rates if the Social Security surpluses are used to fund such tax rate cuts.

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IN THE SENATE OF THE UNITED STATES

JANUARY 7, 2003

Mr. HOLLINGS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to suspend future reductions of income tax rates if the Social Security surpluses are used to fund such tax rate cuts.

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. FINDINGS.**

4 The Senate finds that—

5 (1) section 13301 of the Budget Enforcement  
6 Act of 1990 specifically precludes the President and  
7 Congress from counting Social Security in the budg-  
8 et;

1           (2) President Bush promised Congress in his  
2 first address to a Joint Session in February 2001  
3 that all Social Security surplus money will be budg-  
4 eted for Social Security and Social Security only;

5           (3) every Senator in the Senate promised not to  
6 touch Social Security;

7           (4) every candidate in last year's election prom-  
8 ised not to touch Social Security;

9           (5) it is a felony for corporate America to count  
10 retirement accounts as revenues and raid them to  
11 run their operations;

12           (6) the President, the Cabinet, Congress, and  
13 the news media all now use different sets of numbers  
14 when reporting the budget, making it difficult for  
15 Americans to get a handle on the Government's true  
16 financial state; and

17           (7) the purpose of this Act is to ensure that no  
18 Social Security surpluses shall be used to pay for  
19 any further tax cuts.

20 **SEC. 2. SUSPENSION OF CERTAIN INCOME TAX RATE RE-**  
21 **DUCTIONS IN CASE OF FEDERAL ON-BUDGET**  
22 **DEFICIT.**

23           Section 1(i) of the Internal Revenue Code of 1986  
24 (relating to rate reductions after 2000) is amended by re-

1 designating paragraph (3) as paragraph (4) and by insert-  
2 ing after paragraph (2) the following new paragraph:

3           “(3) SUSPENSION OF RATE REDUCTIONS IN  
4           CASE OF FEDERAL ON-BUDGET DEFICIT.—Notwith-  
5           standing the table contained in paragraph (2)—

6                   “(A) INITIAL DETERMINATION.—If the  
7           Secretary determines on October 1, 2003, that  
8           there exists a Federal on-budget deficit for the  
9           fiscal year beginning on such date, the reduc-  
10          tion in the rates under such table shall be sus-  
11          pended until the beginning of the first calendar  
12          year following the first succeeding October 1 on  
13          which it is determined that such a deficit does  
14          not exist.

15                   “(B) SUBSEQUENT DETERMINATION.—On  
16          October 1 of the year following the first cal-  
17          endar year described in subparagraph (A), if  
18          the Secretary determines that a Federal on-  
19          budget deficit exists for the fiscal year begin-  
20          ning on such date, the reduction in the rates  
21          under such table shall be suspended until the  
22          beginning of the first calendar year following  
23          the first succeeding October 1 on which it is de-  
24          termined that such a deficit does not exist.

1           “(C) DATA FOR DETERMINATION.—Any  
2           determination by the Secretary under this para-  
3           graph with respect to any fiscal year shall be  
4           based on the most recent budgetary data for  
5           such fiscal year submitted to Congress under  
6           section 1106 of title 31, United States Code.”.

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