

112TH CONGRESS  
1ST SESSION

# S. 1558

To amend the Internal Revenue Code of 1986 to apply payroll taxes to remuneration and earnings from self-employment up to the contribution and benefit base and to remuneration in excess of \$250,000.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 2011

Mr. SANDERS (for himself, Mrs. BOXER, Mr. WHITEHOUSE, Mr. AKAKA, Mr. LEAHY, Mrs. McCASKILL, Mr. FRANKEN, Mr. BLUMENTHAL, and Ms. MIKULSKI) 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 apply payroll taxes to remuneration and earnings from self-employment up to the contribution and benefit base and to remuneration in excess of \$250,000.

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 “Keeping Our Social  
5 Security Promises Act”.

1 **SEC. 2. PAYROLL TAX ON REMUNERATION UP TO CON-**  
 2 **TRIBUTION AND BENEFIT BASE AND MORE**  
 3 **THAN \$250,000.**

4 (a) IN GENERAL.—Paragraph (1) of section 3121(a)  
 5 of the Internal Revenue Code of 1986 is amended by in-  
 6 serting after “such calendar year.” the following: “The  
 7 preceding sentence shall apply only to calendar years for  
 8 which the contribution and benefit base (as so determined)  
 9 is less than \$250,000, and, for such calendar years, only  
 10 to so much of the remuneration paid to such employee  
 11 by such employer with respect to employment as does not  
 12 exceed \$250,000.”.

13 (b) CONFORMING AMENDMENT.—Paragraph (1) of  
 14 section 3121 of the Internal Revenue Code of 1986 is  
 15 amended by striking “Act) to” and inserting “Act), or in  
 16 excess of \$250,000, to”.

17 (c) EFFECTIVE DATE.—The amendments made by  
 18 this section shall apply to remuneration paid after Decem-  
 19 ber 31, 2011.

20 **SEC. 3. TAX ON NET EARNINGS FROM SELF-EMPLOYMENT**  
 21 **UP TO CONTRIBUTION AND BENEFIT BASE**  
 22 **AND MORE THAN \$250,000.**

23 (a) IN GENERAL.—Paragraph (1) of section 1402(b)  
 24 of the Internal Revenue Code of 1986 is amended to read  
 25 as follows:

1           “(1) in the case of the tax imposed by section  
2 1401(a), the excess of—

3           “(A) that part of the net earnings from  
4 self-employment which is in excess of—

5           “(i) an amount equal to the contribu-  
6 tion and benefit base (as determined under  
7 section 230 of the Social Security Act)  
8 which is effective for the calendar year in  
9 which such taxable year begins, minus

10           “(ii) the amount of the wages paid to  
11 such individual during such taxable years;  
12 over

13           “(B) that part of the net earnings from  
14 self-employment which is in excess of the sum  
15 of—

16           “(i) the excess of—

17           “(I) the net earning from self-  
18 employment reduced by the excess (if  
19 any) of subparagraph (A)(i) over sub-  
20 paragraph (A)(ii), over

21           “(II) \$250,000, reduced by such  
22 contribution and benefit base, plus

23           “(ii) the amount of the wages paid to  
24 such individual during such taxable year in

1                   excess of such contribution and benefit  
2                   base and not in excess of \$250,000; or”.

3           (b) PHASEOUT.—Subsection (b) of section 1402 of  
4 the Internal Revenue Code of 1986 is amended by adding  
5 at the end the following: “Paragraph (1) shall apply only  
6 to taxable years beginning in calendar years for which the  
7 contribution and benefit base (as determined under section  
8 230 of the Social Security Act) is less than \$250,000.”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to net earnings from self-employ-  
11 ment derived, and remuneration paid, after December 31,  
12 2011.

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