

117TH CONGRESS
1ST SESSION

H. R. 4453

To amend the Internal Revenue Code of 1986 to exclude social security benefits from gross income, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2021

Mr. GOSAR 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 exclude social security benefits from gross income, and for other purposes.

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 “No Tax on Social Secu-
5 rity Act of 2021”.

6 **SEC. 2. EXCLUSION OF SOCIAL SECURITY BENEFITS FROM**
7 **GROSS INCOME.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended
10 by inserting after section 139H the following new section:

1 **“SEC. 139I. SOCIAL SECURITY AND TIER 1 RAILROAD RE-**
2 **TIREMENT BENEFITS.**

3 “(a) EXCLUSION.—Gross income shall not include so-
4 cial security benefits received by a taxpayer.

5 “(b) SOCIAL SECURITY BENEFIT DEFINED.—

6 “(1) IN GENERAL.—The term ‘social security
7 benefit’ means any amount received by the taxpayer
8 by reason of entitlement to—

9 “(A) a monthly benefit under title II of the
10 Social Security Act, or

11 “(B) a tier 1 railroad retirement benefit.

12 “(2) WORKMEN’S COMPENSATION BENEFITS
13 SUBSTITUTED FOR SOCIAL SECURITY BENEFITS.—

14 For purposes of this section, if, by reason of section
15 224 of the Social Security Act (or by reason of sec-
16 tion 3(a)(1) of the Railroad Retirement Act of
17 1974), any social security benefit is reduced by rea-
18 son of the receipt of a benefit under a workmen’s
19 compensation act, the term ‘social security benefit’
20 includes that portion of such benefit received under
21 the workmen’s compensation act which equals such
22 reduction.

23 “(3) TIER 1 RAILROAD BENEFIT.—For pur-
24 poses of paragraph (1), the term ‘tier 1 railroad re-
25 tirement benefit’ means—

1 “(A) the amount of the annuity under the
2 Railroad Retirement Act of 1974 equal to the
3 amount of the benefit to which the taxpayer
4 would have been entitled under the Social Secu-
5 rity Act if all of the service after December 31,
6 1936, of the employee (on whose employment
7 record the annuity is being paid) had been in-
8 cluded in the term ‘employment’ as defined in
9 the Social Security Act, and

10 “(B) a monthly annuity amount under sec-
11 tion 3(f)(3) of the Railroad Retirement Act of
12 1974.”.

13 (b) SOCIAL SECURITY TRUST FUNDS HELD HARM-
14 LESS.—There are hereby appropriated (out of any money
15 in the Treasury not otherwise appropriated) for each fiscal
16 year to the Federal Old-Age and Survivors Insurance
17 Trust Fund and the Federal Disability Insurance Trust
18 Fund established under section 201 of the Social Security
19 Act (42 U.S.C. 401) and the Social Security Equivalent
20 Benefit Account established under section 15A(a) of the
21 Railroad Retirement Act of 1974 (45 U.S.C. 231n-1(a))
22 an amount equal to the reduction in the transfers to such
23 fund for such fiscal year by reason of this section.
24 Amounts appropriated by the preceding sentence shall be
25 transferred from the general fund at such times and in

1 such manner as to replicate to the extent possible the
 2 transfers which would have occurred to such Trust Fund
 3 had such amendments not been enacted.

4 (c) REPEAL OF INCLUSION OF SOCIAL SECURITY
 5 AND TIER 1 RAILROAD RETIREMENT BENEFITS.—Sec-
 6 tion 86 of such Code is repealed.

7 (d) REFERENCES TO SECTION 86.—Any reference in
 8 any provision of law which refers to an amount not includ-
 9 ible in gross income by reason of section 86 shall be treat-
 10 ed as reference to an amount not includible in gross in-
 11 come by reason of this section.

12 (e) CONFORMING AMENDMENTS.—

13 (1) The table of sections for part II of sub-
 14 chapter B of chapter 1 is amended by striking the
 15 item relating to section 86.

16 (2) The table of sections for part III of sub-
 17 chapter B of chapter 1 is amended by inserting after
 18 the item relating to section 139H the following new
 19 item:

“Sec. 139I. Social security and tier 1 railroad retirement benefits.”.

20 (f) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 the date of the enactment of this Act.

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