

113TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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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, 2013.

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 2013.