

111TH CONGRESS
2^D SESSION

S. 2957

To amend the Internal Revenue Code of 1986 to temporarily reduce payroll taxes of employees and employers by one-half, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 26, 2010

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

A BILL

To amend the Internal Revenue Code of 1986 to temporarily reduce payroll taxes of employees and employers by one-half, 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. TEMPORARY REDUCTION IN PAYROLL TAXES.**

4 (a) IN GENERAL.—

5 (1) EMPLOYEE TAXES.—The table in section
6 3101(a) of the Internal Revenue Code of 1986 is
7 amended to read as follows:

“In the case of wages received during:	The rate shall be:
2010	3.1 percent
2010 or thereafter	6.2 percent”.

1 (2) EMPLOYER TAXES.—The table in section
 2 3111(a) of the Internal Revenue Code of 1986 is
 3 amended to read as follows:

“In the case of wages paid during:	The rate shall be:
2010	3.1 percent
2010 or thereafter	6.2 percent”.

4 (3) SELF-EMPLOYMENT TAXES.—

5 (A) IN GENERAL.—The table in section
 6 1401(a) of the Internal Revenue Code of 1986
 7 is amended to read as follows:

“In the case of a taxable beginning after:	And before:	Percent
December 31, 2009	January 1, 2011	6.2
December 31, 2010	12.40”.

8 (B) CONFORMING AMENDMENTS.—

9 (i) Section 164(f) of such Code is
 10 amended adding at the end the following
 11 new paragraph:

12 “(3) SPECIAL RULE FOR 2010.—In the case of
 13 taxable years beginning after December 31, 2009,
 14 and before January 1, 2011, the deduction allowed
 15 under paragraph (1) with respect to taxes imposed
 16 by section 1401(a) shall equal to one-fourth of the
 17 taxes so paid and with respect to taxes imposed by
 18 section 1401(b) shall be equal to one-half of the
 19 taxes so paid.”.

1 (ii) Section 1402(a)(12)(B) is amend-
2 ed by inserting “(in the case of taxable
3 years beginning after December 31, 2009,
4 and before January 1, 2011, one-fourth of
5 the rate imposed by section 1401(a) and
6 one-half of the rate imposed by section
7 1401(b))” after “year”.

8 (b) FUNDING FROM GENERAL FUND.—There are
9 hereby appropriated to the Federal Old-Age and Survivors
10 Trust Fund and the Federal Disability Insurance Trust
11 Fund established under section 201 of the Social Security
12 Act (42 U.S.C. 401) amounts equal to the reduction in
13 revenues to the Treasury by reason of the amendments
14 made by paragraphs (1), (2), and (3)(A) of subsection (a).
15 Amounts appropriated by the preceding sentence shall be
16 transferred from the general fund at such times and in
17 such manner as to replicate to the extent possible the
18 transfers which would have occurred to such Trust Fund
19 had such amendments not been enacted.

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