



U.S. Representative

# Trent Franks

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## Congressman Franks Introduces The Seniors' Financial Security Act *Says taxing Social Security income is "unjust and shameless extortion."*

June 9, 2003—Committed to protecting America's seniors from wrongful double taxation, U.S. Representative Trent Franks introduced HR 2346, The Seniors' Financial Security Act. This legislation would repeal the unjust tax on Social Security income for retirees.

"It is time we end what essentially is the double taxation of *every* American," Franks said. "Hardworking people pay their Social Security taxes *while* they work. They should not be taxed *again* on those benefits upon receipt, especially at a time when they may be financially vulnerable. It is a sorry tax, and it is outrageous."

In 1993, the Clinton administration proposed the taxes in order to pay for more government spending and deficit reduction. The current law mandates that up to 85 percent of Social Security benefits be taxable for recipients whose incomes exceed \$34,000 for individuals and \$44,000 for married couples. This tax costs more than 10 million seniors an average of \$1,180 per year.

As the 77 million Baby Boomers near retirement and live longer than their parents, there remains a growing reliance on Social Security. Studies show that one-third of retirees rely on Social Security for 90 percent of their retirement income, yet financial projections show that in just a few years there will not be enough taxes coming in to cover all the benefits that are due America's retirees.

Senator Daniel Patrick Moynihan in 1994 said, "...There are 42 million people now receiving Social Security, and 135 million Americans pay into the fund. These are, in the truest sense, stockholders in this great enterprise and they are entitled to the understanding that it is...vigilant...and sound."

"Neither vigilant nor sound, taxing retirement benefits is another way to manipulate this government system and take advantage of honest people who have worked hard all their lives to ensure financial security for their retirement. We have essentially created a pension program that funds other government programs," Franks said. "The Social Security Trust Fund should only be used for Social Security benefits. The practice of burdening seniors with the responsibility of funding other programs is shameless extortion. Instead, we should do all that we can to ensure that every American has the financial peace of mind they deserve in their twilight years."

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