

111TH CONGRESS
1ST SESSION

H. R. 143

To amend the Internal Revenue Code of 1986 to provide for a two-month suspension of employment and income taxes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mr. GOHMERT (for himself, Mr. SHADEGG, Mrs. BLACKBURN, Mr. CARTER, Mr. FRANKS of Arizona, Mr. PENCE, Mr. WESTMORELAND, Mr. SESSIONS, Mr. MCCOTTER, Mrs. MYRICK, Mr. KLINE of Minnesota, Mr. AKIN, Mr. MCHENRY, Mr. NEUGEBAUER, Mrs. MCMORRIS RODGERS, Mrs. BACHMANN, Mr. GARRETT of New Jersey, Mr. PRICE of Georgia, Mr. CULBERSON, Mr. PAUL, Mr. BURTON of Indiana, Mr. MACK, Mr. BROUN of Georgia, Mr. LAMBORN, Mr. PITTS, Mr. BARTLETT, Mr. POE of Texas, Mr. SAM JOHNSON of Texas, Mr. BARRETT of South Carolina, Mr. GINGREY of Georgia, Mr. ISSA, Mr. YOUNG of Alaska, Mr. LINDER, Mr. HALL of Texas, Mr. DEAL of Georgia, Mr. PLATTS, Mr. FLAKE, Mr. NUNES, Mr. SENSENBRENNER, Mr. TERRY, Ms. FALLIN, Mr. HENSARLING, Mr. SCALISE, Mr. LATTA, Mr. CONAWAY, Mr. YOUNG of Florida, Mr. MARCHANT, Mr. DAVIS of Kentucky, Mr. GERLACH, Mr. OLSON, and Mr. HOEKSTRA) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide for a two-month suspension of employment and income taxes, 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,*

1 **SECTION 1. SUSPENSION OF EMPLOYMENT TAXES.**

2 (a) **TAX ON EMPLOYEES.**—Section 3101 of the Inter-
3 nal Revenue Code of 1986 (relating to rate of tax) is
4 amended by adding at the end the following new sub-
5 section:

6 “(d) **SUSPENSION.**—In the case of wages received for
7 service performed during the 2-month period beginning
8 with the first full month after the date of the enactment
9 of this subsection, the percentage under subsections (a)
10 and (b) shall be zero percent.”.

11 (b) **TAX ON EMPLOYERS.**—Section 3111 of such
12 Code (relating to rate of tax) is amended by adding at
13 the end the following new subsection:

14 “(d) **SUSPENSION.**—In the case of wages paid for
15 service performed during the 2-month period beginning
16 with the first full month after the date of the enactment
17 of this subsection, the percentage under subsections (a)
18 and (b) shall be zero percent.”.

19 (c) **TAX ON SELF-EMPLOYMENT INCOME.**—Section
20 1401 of such Code (relating to rate of tax) is amended
21 by adding at the end the following new subsection:

22 “(d) **SUSPENSION.**—In the case of self-employment
23 income for service performed during the 2-month period
24 beginning with the first full month after the date of the
25 enactment of this subsection, the percentage under sub-
26 sections (a) and (b) shall be zero percent.”.

1 (d) EFFECTIVE DATES.—

2 (1) The amendments made by subsections (a)
3 and (b) shall apply to remuneration paid or received
4 after the date of the enactment of this Act.

5 (2) The amendment made by subsection (c)
6 shall apply to taxable years beginning after Decem-
7 ber 31, 2008.

8 **SEC. 2. SUSPENSION OF INCOME TAXES.**

9 (a) IN GENERAL.—Part III of subchapter B of chap-
10 ter 1 of the Internal Revenue Code of 1986 (relating to
11 items specifically excluded from gross income) is amended
12 by inserting after section 139B the following new section:

13 **“SEC. 139C. WAGE AND SELF-EMPLOYMENT INCOME.**

14 “In the case of an individual, gross income shall not
15 include—

16 “(1) any remuneration for service performed
17 during the 2-month period beginning with the first
18 full month after the date of the enactment of this
19 section, by an employee for his employer, including
20 the cash value of all remuneration (including bene-
21 fits) paid in any medium other than cash wages (as
22 defined in section 3121), and

23 “(2) any self-employment income (as defined in
24 section 1402) derived by such individual during such
25 period.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for such part is amended by inserting after the item relat-
 3 ing to section 139B the following new item:

“Sec. 139C. Wage and self-employment income.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years ending after De-
 6 cember 31, 2008.

7 **SEC. 3. FUNDING OF SOCIAL SECURITY TRUST FUNDS WITH**
 8 **REPEALED TARP FUNDS.**

9 (a) REPEAL OF FINAL \$350 BILLION PURCHASE AU-
 10 THORITY UNDER TROUBLED ASSETS RELIEF PRO-
 11 GRAM.—Section 115 of the Emergency Economic Sta-
 12 bilization Act of 2008 (12 U.S.C. 5225) is amended—

13 (1) in subsection (a), by striking paragraph (3);

14 and

15 (2) by striking subsections (c), (d), (e), and (f).

16 (b) TRANSFER TO SOCIAL SECURITY TRUST
 17 FUNDS.—

18 (1) ESTIMATE OF SECRETARY.—The Secretary
 19 of the Treasury (in consultation with the Secretary
 20 of Health and Human Services and the Commis-
 21 sioner of Social Security, as appropriate) shall esti-
 22 mate the impact that the enactment of this Act has
 23 on the income and balances of the Federal Old-Age
 24 and Survivors Insurance Trust Fund, the Federal

1 Disability Insurance Trust Fund, and the Federal
2 Hospital Insurance Trust Fund.

3 (2) TRANSFER OF FUNDS.—If, under sub-
4 section (a), the Secretary of the Treasury estimates
5 that the enactment of this Act has a negative impact
6 on the income and balances of any of such funds,
7 the Secretary shall transfer from the general reve-
8 nues of the Federal Government such sums as may
9 be necessary so as to ensure that the income and
10 balances of such funds are not reduced as a result
11 of the enactment of this Act.

12 **SEC. 4. IMMEDIATE TERMINATION OF TARP PURCHASE AU-**
13 **THORITY.**

14 (a) IN GENERAL.—The authorities provided under
15 section 101(a) of the Emergency Economic Stabilization
16 Act of 2008 (12 U.S.C. 5211), excluding section 101(a)(3)
17 of such Act, shall terminate immediately upon the enact-
18 ment of this Act.

19 (b) RULE OF CONSTRUCTION.—The termination
20 under subsection (a) shall apply to any authority of the
21 Secretary of the Treasury under the Emergency Economic
22 Stabilization Act of 2008 to purchase preferred or other
23 stock or equity in any financial institution.

1 (c) CONFORMING AMENDMENT.—The Emergency
2 Economic Stabilization Act of 2008 is amended by strik-
3 ing section 120 (12 U.S.C. 5230).

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