Stop Taxing Social Security!

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Washington, DC: Congressman Ron Paul recently introduced legislation that would eliminate income taxes on Social Security benefits, giving millions of older Americans a boost in their retirement income and ending an unjust form of double taxation. Paul introduced the “Senior Citizens Tax Elimination Act” immediately after the new Congress convened last week.

“Many Americans don’t realize that Social Security benefits were not taxed until the 1980s,” Paul stated. “When the program was created in the 1930s, Congress never intended to treat Social Security benefits as taxable income. Those benefits are funded by taxes in the first place, so it’s nonsensical to tax them as ordinary income to raise revenue. The whole process is nothing more than a circular subterfuge that allows Congress to reduce Social Security benefits by stealth. Nobody in Congress claims they want to reduce benefits, but that’s exactly what happens when benefits are taxed.”

Under Paul’s legislation, Social Security benefits would not be classified as taxable income nor reported on an individual’s tax return. This is consistent with the ostensible purpose of the system, which is to provide a pension in exchange for a lifetime of payroll tax payments.

“The spending culture in Washington is the real problem,” Paul concluded. “Congress is addicted to spending more than it collects in taxes each year, so it must constantly look for new sources of revenue. That’s why Social Security benefits are taxed, and that’s why the Social Security “trust fund” doesn’t exist-- Congress has raided and spent the money it claimed to be putting aside for your retirement. We can talk all we want about fixing Social Security, but until the spending mentality in Congress changes, every dime you send to Washington will be spent immediately, no matter what the promises. If younger Americans hope to recoup even a tiny percentage of the money they have contributed to the Social Security system, America must vote big-spending politicians from both parties out of Congress.”