To provide a temporary employee payroll tax holiday.

IN THE HOUSE OF REPRESENTATIVES

Mr. BRADY introduced the following bill; which was referred to the Committee on ________

A BILL

To provide a temporary employee payroll tax holiday.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Support for Workers, Families, and Social Security Act”.

SEC. 2. TEMPORARY EMPLOYEE PAYROLL TAX HOLIDAY.

(a) IN GENERAL.—Notwithstanding any other provi-
sion of law—

(1) with respect to any taxable year which in-
cludes any portion of the payroll tax holiday period,
the rate of tax under section 1401(a) of the Internal
Revenue Code of 1986 shall be reduced by the appli-
cable number of percentage points determined under
subsection (d), and

(2) with respect to remuneration received dur-
ing the payroll tax holiday period, the rate of tax
under 3101(a) of such Code shall be 0 percent (in-
cluding for purposes of determining the applicable
percentage under sections 3201(a) and 3211(a)(1)
of such Code).

(b) Coordination With Deductions for Em-
ployment Taxes.—

(1) Deduction in Computing Net Earnings
From Self-Employment.—For purposes of apply-
ing section 1402(a)(12) of the Internal Revenue
Code of 1986, the rate of tax imposed by section
1401(a) of such Code shall be determined without
regard to the reduction in such rate under this sec-
tion.

(2) Individual Deduction.—For purposes of
determining the deduction allowed under section
164(f) of the Internal Revenue Code of 1986, the
taxes imposed under section 1401 of such Code shall
be treated as being equal to the amount of such
taxes determined without regard to the reduction in
the rate of tax provided under subsection (a)(1).

(c) Payroll Tax Holiday Period.—For purposes of this section, the term “payroll tax holiday period” means the period beginning on September 1, 2020, and ending on December 31, 2020.

(d) Applicable Number of Percentage Points.—

(1) In General.—For purposes of subsection (a)(1), the applicable number of percentage points with respect to any individual for any taxable year is the number of percentage points that bears the same ratio to 6.2 percent as—

(A) the number of days of the payroll tax holiday period which are in such taxable year, bears to

(B) the number of days in such taxable year.

(2) Phaseout Based on Self-Employment Income.—In the case of any individual whose self-employment income for any taxable year exceeds an amount equal to the contribution and benefit base for calendar year 2020 (as determined under section 230 of the Social Security Act), the applicable number of percentage points with respect to such indi-
individual for such taxable year (determined without re-

gard to this paragraph) shall be reduced by an

amount which bears the same ratio to such applica-
able number of percentage points as—

(A) such excess, bears to

(B) $68,850.

(e) EMPLOYER NOTIFICATION.—The Secretary of the

Treasury shall notify employers of the payroll tax holiday

period in any manner the Secretary deems appropriate.

(f) COORDINATION WITH OTHER FEDERAL LAWS.—

For purposes of applying any provision of Federal law

other than the provisions of the Internal Revenue Code

of 1986, the rate of tax in effect under section 3101(a)

of such Code shall be determined without regard to the

reduction in such rate under this section.

SEC. 3. PROTECTION OF SOCIAL SECURITY TRUST FUNDS.

(a) TRANSFERS TO FEDERAL OLD-AGE AND SUR-

VIVORS INSURANCE TRUST FUND.—There are hereby ap-

propriated to the Federal Old-Age and Survivors Trust

Fund and the Federal Disability Insurance Trust Fund

established under section 201 of the Social Security Act

(42 U.S.C. 401) amounts equal to the reduction in reve-

nues to the Treasury by reason of the application of sec-

tion 2(a). Amounts appropriated by the preceding sen-

tence shall be transferred from the general fund at such
times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(b) Transfers to Social Security Equivalent Benefit Account.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of section 2(a)(2). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

SEC. 4. NO EFFECT ON SOCIAL SECURITY BENEFITS.

Nothing in this Act shall have any effect on the determination of any benefit under title II of the Social Security Act.