

112TH CONGRESS
1ST SESSION

S. _____

To provide payroll tax relief, to reduce the Federal budget deficit, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

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

A BILL

To provide payroll tax relief, to reduce the Federal budget
deficit, 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. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Temporary Tax Holiday and Government Reduction
6 Act”.

7 (b) **TABLE OF CONTENTS.**—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PAYROLL TAX RELIEF

Sec. 101. Extension of payroll tax holiday.

TITLE II—DEFICIT REDUCTION

Subtitle A—Reform of Federal Benefits for Millionaires

Sec. 201. Ending unemployment and supplemental nutrition assistance program benefits for millionaires.

Sec. 202. Increase in the Medicare part B and D premiums for higher-income Medicare beneficiaries.

Subtitle B—Federal Employee Provisions

Sec. 211. Reduction in the number of Federal employees.

Sec. 212. Extension of pay freeze for Federal employees.

Sec. 213. Reduction of revised discretionary spending limits to achieve savings from Federal employee provisions.

Subtitle C—Buffett Rule Act of 2011

Sec. 221. Short title.

Sec. 222. Donation to pay down national debt.

1 **TITLE I—PAYROLL TAX RELIEF**2 **SEC. 101. EXTENSION OF PAYROLL TAX HOLIDAY.**

3 Section 601(c) of the Tax Relief, Unemployment In-
4 surance Reauthorization, and Job Creation Act of 2010
5 (26 U.S.C. 1401 note) is amended by striking “year
6 2011” and inserting “years 2011 and 2012”.

7 **TITLE II—DEFICIT REDUCTION**8 **Subtitle A—Reform of Federal**
9 **Benefits for Millionaires**10 **SEC. 201. ENDING UNEMPLOYMENT AND SUPPLEMENTAL**
11 **NUTRITION ASSISTANCE PROGRAM BENEFITS**
12 **FOR MILLIONAIRES.**

13 (a) **ENDING UNEMPLOYMENT BENEFITS FOR MIL-**
14 **LIONAIRES.—**

15 (1) **IN GENERAL.—**Subtitle E of the Internal
16 Revenue Code of 1986 is amended by adding at the
17 end the following new chapter:

1 **“CHAPTER 56—EXCESS UNEMPLOYMENT**
2 **COMPENSATION**

“Sec. 5895. Excess unemployment compensation.

3 **“SEC. 5895. EXCESS UNEMPLOYMENT COMPENSATION.**

4 “(a) IMPOSITION OF TAX.—There is hereby imposed
5 a tax equal to 100 percent of the excess unemployment
6 compensation received by a taxpayer in any taxable year.

7 “(b) EXCESS UNEMPLOYMENT COMPENSATION.—
8 For purposes of this section, the term ‘excess unemploy-
9 ment compensation’ means, with respect to any State, the
10 amount which bears the same ratio (not to exceed 1) to
11 the amount of unemployment compensation received by
12 the taxpayer from such State in the taxable year as—

13 “(1) the excess of—

14 “(A) the taxpayer’s adjusted gross income
15 for such taxable year, over

16 “(B) \$750,000 (\$1,500,000 in the case of
17 a joint return), bears to

18 “(2) \$250,000 (\$500,000 in the case of a joint
19 return).

20 “(c) ADDITIONAL DEFINITIONS.—For purposes of
21 this section—

22 “(1) ADJUSTED GROSS INCOME.—The term ‘ad-
23 justed gross income’ has the meaning given such
24 term by section 62.

1 “(2) UNEMPLOYMENT COMPENSATION.—The
2 term ‘unemployment compensation’ has the meaning
3 given such term by section 85(b).

4 “(d) ADMINISTRATIVE PROVISIONS.—For purposes
5 of the deficiency procedures of subtitle F, any tax imposed
6 by this section shall be treated as a tax imposed by subtitle
7 A.

8 “(e) TRANSFER OF TAX RECEIPTS.—With respect to
9 excess unemployment compensation received by any tax-
10 payer from a State, there is hereby appropriated to the
11 unemployment fund (as defined in section 3306(f)) of such
12 State, an amount equal to the amount of the tax imposed
13 under subsection (a) on such excess unemployment com-
14 pensation received in the Treasury.”.

15 (2) TAX NOT DEDUCTIBLE.—Section 275(a) of
16 the Internal Revenue Code of 1986 is amended by
17 inserting after paragraph (6) the following new
18 paragraph:

19 “(7) Tax imposed by section 5895.”.

20 (3) CLERICAL AMENDMENT.—The table of
21 chapters for subtitle E of the Internal Revenue Code
22 of 1986 is amended by adding at the end the fol-
23 lowing new item:

 “CHAPTER 56—EXCESS UNEMPLOYMENT COMPENSATION”.

24 (4) EFFECTIVE DATE.—The amendments made
25 by this subsection shall apply to unemployment com-

1 pensation received in taxable years beginning after
2 December 31, 2011.

3 (b) **ENDING SUPPLEMENTAL NUTRITION ASSIST-**
4 **ANCE PROGRAM BENEFITS FOR MILLIONAIRES.—**

5 (1) **IN GENERAL.**—Section 6 of the Food and
6 Nutrition Act of 2008 (7 U.S.C. 2015) is amended
7 by adding at the end the following:

8 “(r) **DISQUALIFICATION FOR RECEIPT OF ASSETS OF**
9 **AT LEAST \$1,000,000.**—Any household in which a mem-
10 ber receives income or assets with a fair market value of
11 at least \$1,000,000 shall, immediately on the receipt of
12 the assets, become ineligible for further participation in
13 the program until the date on which the household meets
14 the income eligibility and allowable financial resources
15 standards under section 5.”.

16 (2) **CONFORMING AMENDMENTS.**—Section 5(a)
17 of the Food and Nutrition Act of 2008 (7 U.S.C.
18 2014(a)) is amended in the second sentence by strik-
19 ing “sections 6(b), 6(d)(2), and 6(g)” and inserting
20 “subsections (b), (d)(2), (g), and (r) of section 6”.

21 **SEC. 202. INCREASE IN THE MEDICARE PART B AND D PRE-**
22 **MIUMS FOR HIGHER-INCOME MEDICARE**
23 **BENEFICIARIES.**

24 (a) **INCREASE.**—

1 (1) IN GENERAL.—Section 1839(i)(3) of the
2 Social Security Act (42 U.S.C. 1395r(i)(3)) is
3 amended—

4 (A) in subparagraph (A)(i), by inserting
5 “and year” after “individual”;

6 (B) in the table specified in subparagraph
7 (C)(i)—

8 (i) in the fourth row, by inserting
9 “but not more than \$750,000” after
10 “\$200,000”; and

11 (ii) by adding at the end the following
12 2 new rows:

More than \$750,000 but not more than \$1,000,000	95 percent
More than \$1,000,000	100 percent

13 (2) EFFECTIVE DATE.—The amendments made
14 by paragraph (1) shall apply to 2013 and subse-
15 quent years.

16 (b) EXTENSION OF FREEZE ON INFLATION ADJUST-
17 MENTS.—Section 1839(i)(6) of the Social Security Act (42
18 U.S.C. 1395r(i)(6)) is amended, in the matter preceding
19 subparagraph (A), by striking “December 31, 2019” and
20 inserting “December 31, 2022”.

1 **Subtitle B—Federal Employee**
2 **Provisions**

3 **SEC. 211. REDUCTION IN THE NUMBER OF FEDERAL EM-**
4 **PLOYEES.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “agency” means an executive
7 agency as defined under section 105 of title 5,
8 United States Code; and

9 (2) the term “employee” has the meaning given
10 that term under section 2105 of title 5, United
11 States Code.

12 (b) DETERMINATION OF NUMBER OF EMPLOYEES.—

13 Not later than 60 days after the date of enactment of this
14 Act, the Director of the Office of Management and Budget
15 and the Director of the Office of Personnel Management
16 shall determine the number of full-time employees em-
17 ployed in each agency. The head of each agency shall co-
18 operate with the Director of the Office of Management
19 and Budget and the Director of the Office of Personnel
20 Management in making the determinations.

21 (c) REPLACEMENT HIRE RATE.—

22 (1) IN GENERAL.—During the period described
23 under paragraph (2), the head of each agency may
24 hire no more than 1 employee in that agency for

1 every 3 full-time employees who leave employment in
2 that agency.

3 (2) PERIOD OF REPLACEMENT HIRE RATE.—

4 Paragraph (1) shall apply to each agency during the
5 period beginning 60 days after the date of enact-
6 ment of this Act and ending on the date on which
7 the Director of the Office of Management and Budg-
8 et and the Director of the Office of Personnel Man-
9 agement make a determination that the number of
10 full-time employees employed in that agency is 10
11 percent less than the number of full-time employees
12 employed in that agency determined under sub-
13 section (b).

14 (d) WAIVERS.—

15 (1) IN GENERAL.—This section may be waived
16 upon a written determination by the President
17 that—

18 (A) the existence of a state of war or other
19 national security concern so requires; or

20 (B) the existence of an extraordinary
21 emergency threatening life, health, public safe-
22 ty, property, or the environment so requires.

23 (2) SUBMISSION TO CONGRESS.—The President
24 shall submit to Congress any written determination
25 under paragraph (1).

1 **SEC. 212. EXTENSION OF PAY FREEZE FOR FEDERAL EM-**
2 **PLOYEES.**

3 (a) IN GENERAL.—Section 147 of the Continuing
4 Appropriations Act, 2011 (Public Law 111–242; 5 U.S.C.
5 5303 note) is amended—

6 (1) in subsection (b)(1), by striking “December
7 31, 2012” and inserting “December 31, 2015”; and

8 (2) in subsection (c), by striking “December 31,
9 2012” and inserting “December 31, 2015”.

10 (b) CLARIFICATION THAT FREEZE APPLIES TO LEG-
11 ISLATIVE BRANCH.—

12 (1) MEMBERS OF CONGRESS.—Notwithstanding
13 any other provision of law, no adjustment shall be
14 made under section 601(a) of the Legislative Reor-
15 ganization Act of 1946 (2 U.S.C. 31) (relating to
16 cost of living adjustments for Members of Congress)
17 during the period beginning on the first day of the
18 first pay period beginning on or after February 1,
19 2013 and ending on December 31, 2015.

20 (2) LEGISLATIVE BRANCH EMPLOYEES.—

21 (A) DEFINITION.—In this paragraph, the
22 term “legislative branch employee” means—

23 (i) an employee whose pay is dis-
24 bursed by the Secretary of the Senate or
25 the Chief Administrative Officer of the
26 House of Representatives; and

1 (ii) an employee of any agency estab-
2 lished in the legislative branch.

3 (B) FREEZE.—Notwithstanding any other
4 provision of law, no cost of living adjustment
5 required by statute with respect to a legislative
6 branch employee which (but for this subpara-
7 graph) would otherwise take effect during the
8 period beginning on the date of enactment of
9 this Act and ending on December 31, 2015
10 shall be made.

11 **SEC. 213. REDUCTION OF REVISED DISCRETIONARY SPEND-**
12 **ING LIMITS TO ACHIEVE SAVINGS FROM FED-**
13 **ERAL EMPLOYEE PROVISIONS.**

14 Section 251A(2) of the Balanced Budget and Emer-
15 gency Deficit Control Act of 1985 (2 U.S.C. 901a(2)) is
16 amended to read as follows:

17 “(2) REVISED DISCRETIONARY SPENDING LIM-
18 ITS.—The discretionary spending limits for fiscal
19 years 2013 through 2021 under section 251(c) shall
20 be replaced with the following:

21 “(A) For fiscal year 2013—

22 “(i) for the revised security category,
23 \$542,000,000,000 in budget authority; and

1 “(ii) for the revised nonsecurity cat-
2 egory, \$493,000,000,000 in budget author-
3 ity.

4 “(B) For fiscal year 2014—

5 “(i) for the revised security category,
6 \$548,000,000,000 in budget authority; and

7 “(ii) for the revised nonsecurity cat-
8 egory, \$497,000,000,000 in budget author-
9 ity.

10 “(C) For fiscal year 2015—

11 “(i) for the revised security category,
12 \$556,000,000,000 in budget authority; and

13 “(ii) for the revised nonsecurity cat-
14 egory, \$503,000,000,000 in budget author-
15 ity.

16 “(D) For fiscal year 2016—

17 “(i) for the revised security category,
18 \$567,000,000,000 in budget authority; and

19 “(ii) for the revised nonsecurity cat-
20 egory, \$512,000,000,000 in budget author-
21 ity.

22 “(E) For fiscal year 2017—

23 “(i) for the revised security category,
24 \$579,000,000,000 in budget authority; and

1 “(ii) for the revised nonsecurity cat-
2 egory, \$522,000,000,000 in budget author-
3 ity.

4 “(F) For fiscal year 2018—

5 “(i) for the revised security category,
6 \$592,000,000,000 in budget authority; and

7 “(ii) for the revised nonsecurity cat-
8 egory, \$534,000,000,000 in budget author-
9 ity.

10 “(G) For fiscal year 2019—

11 “(i) for the revised security category,
12 \$605,000,000,000 in budget authority; and

13 “(ii) for the revised nonsecurity cat-
14 egory, \$546,000,000,000 in budget author-
15 ity.

16 “(H) For fiscal year 2020—

17 “(i) for the revised security category,
18 \$618,000,000,000 in budget authority; and

19 “(ii) for the revised nonsecurity cat-
20 egory, \$557,000,000,000 in budget author-
21 ity.

22 “(I) For fiscal year 2021—

23 “(i) for the revised security category,
24 \$632,000,000,000 in budget authority; and

1 “(ii) for the revised nonsecurity cat-
2 egory, \$568,000,000,000 in budget author-
3 ity.”.

4 **Subtitle C—Buffett Rule Act of** 5 **2011**

6 **SEC. 221. SHORT TITLE.**

7 This title may be cited as the “Buffett Rule Act of
8 2011”.

9 **SEC. 222. DONATION TO PAY DOWN NATIONAL DEBT.**

10 (a) IN GENERAL.—Subchapter A of chapter 61 of the
11 Internal Revenue Code of 1986 is amended by adding at
12 the end the following new part:

13 **“PART IX—DONATIONS TO PAY DOWN NATIONAL** 14 **DEBT**

 “Sec. 6097. Donation to pay down national debt.

15 **“SEC. 6097. DONATION TO PAY DOWN NATIONAL DEBT.**

16 “(a) GENERAL RULE.—Every taxpayer who makes a
17 return of the tax imposed by subtitle A for any taxable
18 year may donate an amount (not less than \$1), in addition
19 to any payment of tax for such taxable year, which shall
20 be deposited in the general fund of the Treasury.

21 “(b) MANNER AND TIME OF DESIGNATION.—Any do-
22 nation under subsection (a) for any taxable year—

23 “(1) shall be made at the time of filing the re-
24 turn of the tax imposed by subtitle A for such tax-

1 able year and in such manner as the Secretary may
2 by regulation prescribe, except that—

3 “(A) the designation for such donation
4 shall be either on the first page of the return
5 or on the page bearing the taxpayer’s signature,
6 and

7 “(B) the designation shall be by a box
8 added to the return, and the text beside the box
9 shall provide:

 “By checking here, I signify that in addition to my tax liability, I would like to
 donate the included payment to be used exclusively for the purpose of paying
 down the national debt.”,

10 and

11 “(2) shall be accompanied by a payment of the
12 amount so designated.

13 “(c) TREATMENT OF AMOUNTS DONATED.—For pur-
14 poses of this title, the amount donated by any taxpayer
15 under subsection (a) shall be treated as a contribution
16 made by such taxpayer to the United States on the last
17 date prescribed for filing the return of tax imposed by sub-
18 title A (determined without regard to extensions) or, if
19 later, the date the return is filed.

20 “(d) TRANSFERS TO ACCOUNT TO REDUCE PUBLIC
21 DEBT.—The Secretary shall, from time to time, transfer
22 to the special account established by section 3113(d) of

1 title 31, United States Code, amounts equal to the
2 amounts donated under this section.”.

3 (b) CLERICAL AMENDMENT.—The table of parts for
4 subchapter A of such chapter is amended by adding at
5 the end the following new item:

“PART IX. DONATIONS TO PAY DOWN NATIONAL DEBT”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to returns for taxable years ending
8 after December 31, 2011.