

112TH CONGRESS
1ST SESSION

S. 1762

To repeal the imposition of withholding on certain payments made to vendors by government entities and to amend the Internal Revenue Code of 1986 to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs.

IN THE SENATE OF THE UNITED STATES

OCTOBER 31, 2011

Mr. BROWN of Massachusetts (for himself and Ms. SNOWE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To repeal the imposition of withholding on certain payments made to vendors by government entities and to amend the Internal Revenue Code of 1986 to modify the calculation of modified adjusted gross income for purposes of determining eligibility for certain healthcare-related programs.

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.**

4 This Act may be cited as the “Withholding Tax Relief
5 Act of 2011”.

1 **SEC. 2. REPEAL OF IMPOSITION OF WITHHOLDING ON CER-**
2 **TAIN PAYMENTS MADE TO VENDORS BY GOV-**
3 **ERNMENT ENTITIES.**

4 The amendment made by section 511 of the Tax In-
5 crease Prevention and Reconciliation Act of 2005 is re-
6 pealed and the Internal Revenue Code of 1986 shall be
7 applied as if such amendment had never been enacted.

8 **SEC. 3. MODIFICATION OF CALCULATION OF MODIFIED AD-**
9 **JUSTED GROSS INCOME FOR DETERMINING**
10 **CERTAIN HEALTHCARE PROGRAM ELIGI-**
11 **BILITY.**

12 (a) **IN GENERAL.**—Subparagraph (B) of section
13 36B(d)(2) of the Internal Revenue Code of 1986 is
14 amended by striking “and” at the end of clause (i), by
15 striking the period at the end of clause (ii) and inserting
16 “, and”, and by adding at the end the following new
17 clause:

18 “(iii) any amount of social security
19 benefits of the taxpayer excluded from
20 gross income under section 86.”.

21 (b) **EFFECTIVE DATE.**—The amendments made by
22 this section shall take effect on the date of the enactment
23 of this Act.