

# Calendar No. 244

112TH CONGRESS  
1ST SESSION

# S. 1931

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

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 30, 2011

Mr. HELLER introduced the following bill; which was read the first time

DECEMBER 1, 2011

Read the second time and placed on the calendar

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## A BILL

To provide civilian 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.—**



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

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

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

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

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

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

23                 (3) CLERICAL AMENDMENT.—The table of  
24                 chapters for subtitle E of the Internal Revenue Code

1 of 1986 is amended by adding at the end the fol-  
2 lowing new item:

“CHAPTER 56—EXCESS UNEMPLOYMENT COMPENSATION”.

3 (4) EFFECTIVE DATE.—The amendments made  
4 by this subsection shall apply to unemployment com-  
5 pensation received in taxable years beginning after  
6 December 31, 2011.

7 (b) ENDING SUPPLEMENTAL NUTRITION ASSIST-  
8 ANCE PROGRAM BENEFITS FOR MILLIONAIRES.—

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

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

20 (2) CONFORMING AMENDMENTS.—Section 5(a)  
21 of the Food and Nutrition Act of 2008 (7 U.S.C.  
22 2014(a)) is amended in the second sentence by strik-  
23 ing “sections 6(b), 6(d)(2), and 6(g)” and inserting  
24 “subsections (b), (d)(2), (g), and (r) of section 6”.

1 **SEC. 202. INCREASE IN THE MEDICARE PART B AND D PRE-**  
 2 **MIUMS FOR HIGHER-INCOME MEDICARE**  
 3 **BENEFICIARIES.**

4 (a) INCREASE.—

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

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

10 (B) in the table specified in subparagraph  
 11 (C)(i)—

12 (i) in the fourth row, by inserting  
 13 “but not more than \$750,000” after  
 14 “\$200,000”; and

15 (ii) by adding at the end the following  
 16 2 new rows:

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

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17 (2) EFFECTIVE DATE.—The amendments made  
 18 by paragraph (1) shall apply to 2013 and subse-  
 19 quent years.

20 (b) EXTENSION OF FREEZE ON INFLATION ADJUST-  
 21 MENTS.—Section 1839(i)(6) of the Social Security Act (42  
 22 U.S.C. 1395r(i)(6)) is amended, in the matter preceding

1 subparagraph (A), by striking “December 31, 2019” and  
2 inserting “December 31, 2022”.

## 3 **Subtitle B—Federal Employee** 4 **Provisions**

### 5 **SEC. 211. REDUCTION IN THE NUMBER OF FEDERAL EM-** 6 **PLOYEES.**

7 (a) DEFINITIONS.—In this section—

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

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

14 (b) DETERMINATION OF NUMBER OF EMPLOYEES.—

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

23 (c) REPLACEMENT HIRE RATE.—

24 (1) IN GENERAL.—During the period described  
25 under paragraph (2), the head of each agency may

1 hire no more than 1 employee in that agency for  
2 every 3 full-time employees who leave employment in  
3 that agency.

4 (2) PERIOD OF REPLACEMENT HIRE RATE.—

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

15 (d) WAIVERS.—

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

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

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



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

4 **SEC. 212. EXTENSION OF PAY FREEZE FOR FEDERAL EM-**  
 5 **PLOYEES.**

6           (a) IN GENERAL.—Section 147 of the Continuing  
 7 Appropriations Act, 2011 (Public Law 111–242; 5 U.S.C.  
 8 5303 note) is amended—

9           (1) in subsection (b)(1), by striking “December  
 10          31, 2012” and inserting “December 31, 2015”; and

11          (2) in subsection (c), by striking “December 31,  
 12          2012” and inserting “December 31, 2015”.

13          (b) CLARIFICATION THAT FREEZE APPLIES TO LEG-  
 14 ISLATIVE BRANCH.—

15           (1) MEMBERS OF CONGRESS.—Notwithstanding  
 16 any other provision of law, no adjustment shall be  
 17 made under section 601(a) of the Legislative Reor-  
 18 ganization Act of 1946 (2 U.S.C. 31) (relating to  
 19 cost of living adjustments for Members of Congress)  
 20 during the period beginning on the first day of the  
 21 first pay period beginning on or after February 1,  
 22 2013 and ending on December 31, 2015.

23           (2) LEGISLATIVE BRANCH EMPLOYEES.—

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

1 (i) an employee whose pay is dis-  
 2 bursed by the Secretary of the Senate or  
 3 the Chief Administrative Officer of the  
 4 House of Representatives; and

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

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

15 **SEC. 213. REDUCTION OF REVISED DISCRETIONARY SPEND-**  
 16 **ING LIMITS TO ACHIEVE SAVINGS FROM FED-**  
 17 **ERAL EMPLOYEE PROVISIONS.**

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

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

25 “(A) For fiscal year 2013—

1           “(i) for the revised security category,  
2           \$542,000,000,000 in budget authority; and

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

6           “(B) For fiscal year 2014—

7           “(i) for the revised security category,  
8           \$548,000,000,000 in budget authority; and

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

12          “(C) For fiscal year 2015—

13          “(i) for the revised security category,  
14          \$556,000,000,000 in budget authority; and

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

18          “(D) For fiscal year 2016—

19          “(i) for the revised security category,  
20          \$567,000,000,000 in budget authority; and

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

24          “(E) For fiscal year 2017—

1 “(i) for the revised security category,  
2 \$579,000,000,000 in budget authority; and

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

6 “(F) For fiscal year 2018—

7 “(i) for the revised security category,  
8 \$592,000,000,000 in budget authority; and

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

12 “(G) For fiscal year 2019—

13 “(i) for the revised security category,  
14 \$605,000,000,000 in budget authority; and

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

18 “(H) For fiscal year 2020—

19 “(i) for the revised security category,  
20 \$618,000,000,000 in budget authority; and

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

24 “(I) For fiscal year 2021—

1                   “(i) for the revised security category,  
 2                   \$632,000,000,000 in budget authority; and  
 3                   “(ii) for the revised nonsecurity cat-  
 4                   egory, \$568,000,000,000 in budget author-  
 5                   ity.”.

6                   **Subtitle C—Buffett Rule Act of**  
 7                   **2011**

8                   **SEC. 221. SHORT TITLE.**

9                   This title may be cited as the “Buffett Rule Act of  
 10                  2011”.

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

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

15                  **“PART IX—DONATIONS TO PAY DOWN NATIONAL**  
 16                  **DEBT**

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

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

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

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

1           “(1) shall be made at the time of filing the re-  
2           turn of the tax imposed by subtitle A for such tax-  
3           able year and in such manner as the Secretary may  
4           by regulation prescribe, except that—

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

9                   “(B) the designation shall be by a box  
10                  added to the return, and the text beside the box  
11                  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.”,

12           and

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

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

22           “(d) TRANSFERS TO ACCOUNT TO REDUCE PUBLIC  
23           DEBT.—The Secretary shall, from time to time, transfer

1 to the special account established by section 3113(d) of  
2 title 31, United States Code, amounts equal to the  
3 amounts donated under this section.”.

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

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

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

Calendar No. 244

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 1931**

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**A BILL**

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

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DECEMBER 1, 2011

Read the second time and placed on the calendar