

## HR 2909 FACT SHEET

As of 2025, the bill is in the initial stages of the legislative process.

- The bill was introduced in the House on 14 April 2025 by Representative Angie Craig (D-MN2) and has 11 cosponsors
- Referred to committees: H.R. 2909 has been referred to two House committees for consideration: Ways and Means and Energy and Commerce. There have been no further legislative actions, such as committee votes or floor consideration, since its introduction.
- The next step for this bill is Committee Approval. The committee members must debate, potentially amend (markup), and then vote to approve and “report” the bill to the full House floor. Either Committee could send the bill for a full House floor vote. See the list of committee members and committee Chairs.
- Related bill in the Senate - S.2716 introduced by Senator Ruben Gallego (D-AZ)

### Bill details

- Key details – To amend the Internal Revenue Code of 1986 to repeal the inclusion in gross income tax of social security benefits, and for other purposes
  - **Bill eliminates income tax on Social Security**
    - As most seniors that work during retirement do so to cover their living expenses, this bill would serve to put more money in their pockets and limit the surprise end of year tax bills
    - Whether seniors owe tax on their social security benefits is based on a formula that adds the sum of adjusted gross income, tax-exempt interest income, and half of social security benefits. Up to 50% of benefits can be taxed for those with income between 25k and 34k. Up to 85% may be taxed for individuals with an annual income of more than 34k.
    - President Trump’s Big Beautiful Bill included a temporary senior citizen deduction for some seniors; this bill would permanently eliminate taxing Social Security
  - **Bill ensures high-income earners are paying their fair share by raising the Social Security payroll tax to cover earnings up to \$250,000**
    - Bill would raise the cap on the social security payroll tax from the current cap of \$176,100 in 2025 to \$250,000, generating approximately \$2.7 trillion in additional revenue.
    - This ensures that high-income earners contribute more towards social security
    - This bill brings us closer to complying with the 1977 amendments that were passed, mandating that the amount of taxable earnings be adjusted annually to remain within a range of 83% to 90% of the national average wage index.
    - The cap consistently remains at the very low end of that range. Even with raising the cap to \$250,000, we are still at approximately 87%, far below the 90% range.
  - **Bill extends the solvency of the Social Security Trust Fund by 24 years, paying full benefits from current projections of 2034 to 2058**
    - Raising the amount of taxable earnings is projected to generate about \$2.7 trillion.
    - According to a non-partisan analysis, this bill would allow the SSA to continue making all payments on time and in full through 2058 – 24 years longer than the current projection of 2034.
  - **Bill reduces the deficit**
    - By increasing monies collected for the Social Security Trust Fund, we will decrease the need to increase the deficit to continue making Social Security payments.