To amend the Internal Revenue Code of 1986 to return the estate, gift, and generation skipping transfer tax to 2009 levels, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Van Hollen introduced the following bill; which was read twice and referred to the Committee on ________________________________

A BILL

To amend the Internal Revenue Code of 1986 to return the estate, gift, and generation skipping transfer tax to 2009 levels, 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.

4 This Act may be cited as the “Strengthen Social Se-
5 curity by Taxing Dynastic Wealth Act”.

6 SEC. 2. ESTATE AND GIFT TAX RETURNED TO 2009 LEVELS.

7 (a) Estate Tax.—

8 (1) Rate Schedule.—The table contained in

9 section 2001(c) of the Internal Revenue Code of
1986 is amended by striking the last row and inserting the following:

<table>
<thead>
<tr>
<th>Value Range</th>
<th>Basic Exclusion Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $1,000,000 but not over $1,250,000</td>
<td>$345,800, plus 41 percent of the excess of such amount over $1,000,000.</td>
</tr>
<tr>
<td>Over $1,250,000 but not over $1,500,000</td>
<td>$448,300, plus 43 percent of the excess of such amount over $1,250,000.</td>
</tr>
<tr>
<td>Over $1,500,000</td>
<td>$555,800, plus 45 percent of the excess of such amount over $1,500,000.</td>
</tr>
</tbody>
</table>

(2) REDUCTION OF BASIC EXCLUSION AMOUNT.—Paragraph (3) of section 2010(c) of the Internal Revenue Code of 1986 is amended to read as follows:

''(3) Basic Exclusion Amount.—For purposes of this subsection, the basic exclusion amount is $3,500,000.''

(b) GIFT TAX.—

(1) LIMITATION ON BASIC EXCLUSION AMOUNT FOR PURPOSES OF DETERMINING APPLICABLE CREDIT AMOUNT.—Paragraph (1) of section 2505(a) of the Internal Revenue Code of 1986 is amended by inserting ``(determined as if the basic exclusion amount were $1,000,000 and the deceased spousal unused exclusion amount was modified under subsection (d))'' after ``calendar year''.

(2) MODIFICATION OF DECEASED SPOUSAL UNUSED EXCLUSION AMOUNT.—Section 2505 of such Code is amended by adding at the end the following:
“(d) Modification of Deceased Spousal Unused Exclusion Amount.—In the case of a surviving spouse who is the last spouse of the decedent with respect to whom an election is made under section 2010(c)(5), the deceased spousal unused exclusion amount with respect to such surviving spouse shall be determined as if such amount were the lesser of—

“(1) $1,000,000, and

“(2) applicable exclusion amount of the decedent reduced by the amount with respect to which the tentative tax is determined under section 2001(b)(1) on the estate of the decedent.”.

(e) Effective Date.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2019.

SEC. 3. TRANSFER OF ESTATE AND GIFT TAX REVENUE TO COMBINED SOCIAL SECURITY TRUST FUND.

(a) In General.—Section 201(a) of the Social Security Act (42 U.S.C. 401(a)) is amended to read as follows:

“(a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the ‘Social Security Trust Fund’. The Social Security Trust Fund shall consist of the securities held by the Secretary of the Treasury for the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability
Insurance Trust Fund and the amount standing to the 
credit of the Federal Old-Age and Survivors Insurance 
Trust Fund and the Federal Disability Insurance Trust 
Fund on the books of the Treasury on January 1, 2020, 
which securities and amount the Secretary of the Treasury 
is authorized and directed to transfer to the Social Secu-
arity Trust Fund, and, in addition, such gifts and bequests 
as may be made as provided in subsection (i)(1), and such 
amounts as may be appropriated to, or deposited in, the 
Social Security Trust Fund as hereinafter provided. There 
is hereby appropriated to the Social Security Trust Fund 
for the first fiscal year that begins after January 1, 2020, 
and for each fiscal year thereafter, out of any moneys in 
the Treasury not otherwise appropriated, amounts equiva-
 lent to 100 percent of—

“(1) the taxes imposed by chapter 21 (other 
than sections 3101(b) and 3111(b)) of the Internal 
Revenue Code of 1986 with respect to wages (as de-
defined in section 3121 of such Code) reported to the 
Secretary of the Treasury pursuant to subtitle F of 
the Internal Revenue Code of 1986, as determined 
by the Secretary of the Treasury by applying the ap-
pllicable rates of tax under such chapter (other than 
sections 3101(b) and 3111(b)) to such wages, which 
wages shall be certified by the Commissioner of So-
cial Security on the basis of the records of wages established and maintained by such Commissioner in accordance with such reports;

“(2) the taxes imposed by chapter 2 (other than section 1401(b)) of the Internal Revenue Code of 1986 with respect to self-employment income (as defined in section 1402 of such Code) reported to the Secretary of the Treasury on tax returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such chapter (other than section 1401(b)) to such self-employment income, which self-employment income shall be certified by the Commissioner of Social Security on the basis of the records of self-employment income established and maintained by the Commissioner of Social Security in accordance with such returns; and

“(3) the taxes imposed by subtitle B of the Internal Revenue Code of 1986, as determined by the Secretary of the Treasury on the basis of tax returns under subpart C of part II of subchapter A of chapter 61 of subtitle F of such Code.

The amounts appropriated by paragraphs (1), (2), and (3) shall be transferred from time to time from the general fund in the Treasury to the Social Security Trust Fund,
such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in such paragraphs, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such paragraphs. All amounts transferred to the Social Security Trust Fund under the preceding sentence shall be invested by the Managing Trustee in the same manner and to the same extent as the other assets of the Trust Fund. Notwithstanding the preceding sentence, in any case in which the Secretary of the Treasury determines that the assets of the Trust Fund would otherwise be inadequate to meet the Trust Fund’s obligations for any month, the Secretary of the Treasury shall transfer to the Trust Fund on the first day of such month the total amount which would have been transferred to the Trust Fund under this section as in effect on October 1, 1990; and the Trust Fund shall pay interest to the general fund on the amount so transferred on the first day of any month at a rate (calculated on a daily basis, and applied against the difference between the amount so transferred on such first day and the amount which would have been transferred to the Trust Fund up to that day under the procedures in effect on January 1, 1983) equal to the rate
earned by the investments of the Trust Fund in the same
month under subsection (d).”.

(b) REQUIRED ACTUARIAL ANALYSIS.—Section
201(c) of the Social Security Act is amended by striking
the fourth sentence in the matter following paragraph (5)
and inserting the following: “Such report shall also include
actuarial analysis of the benefit cost with respect to dis-
abled beneficiaries and their auxiliaries, to retired bene-
ficiaries and their auxiliaries, and to survivor bene-
ficiaries.”.

(c) BOARD OF TRUSTEES.—

(1) BOARD OF TRUSTEES OF SOCIAL SECURITY
TRUST FUND.—Section 201(c) of the Social Security
Act, as amended by subsection (b) of this section, is
further amended in the matter preceding paragraph
(1) by striking “the Federal Old-Age and Survivors
Insurance Trust Fund and the Federal Disability
Insurance Trust Fund (hereinafter in this title
called the ‘Trust Funds’)” and inserting “the Social
Security Trust Fund (in this title referred to as the
‘Trust Fund’)”.

(2) CONTINUITY OF BOARD OF TRUSTEES.—
The Board of Trustees of the Social Security Trust
Fund created by the amendment made by subsection
(a) shall be a continuous body with the Board of
Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in operation prior to the effective date of such amendment. Individuals serving as members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund as of the effective date of such amendment shall serve the remainder of their term as members of the Board of Trustees of the Social Security Trust Fund.

(d) CONFORMING AMENDMENTS RELATED TO SOCIAL SECURITY TRUST FUND.—

(1) Amendment to section heading.—The section heading for section 201 of the Social Security Act is amended to read as follows: “SOCIAL SECURITY TRUST FUND”.

(2) Board of Trustees.—Section 201(c) of such Act, as amended by subsections (b) and (c)(1), is further amended—

(A) in the matter preceding paragraph (1), by striking “Board of Trustees of the Trust Funds” and inserting “Board of Trustees of the Trust Fund”;

(B) in paragraph (1), by striking “Trust Funds” and inserting “Trust Fund”;
(C) in paragraph (2)—

(i) by striking “Trust Funds” and inserting “Trust Fund”; and

(ii) by striking “their” and inserting “its”; 

(D) in paragraph (3), by striking “either of the Trust Funds” and inserting “the Trust Fund”; 

(E) in paragraph (5)—

(i) by striking “managing the Trust Funds” and inserting “managing the Trust Fund”; and

(ii) by striking “Trust Funds are” and inserting “Trust Fund is”;

(F) in the matter following paragraph (5), by striking “Trust Funds” each place it appears and inserting “Trust Fund”; and

(G) in the second sentence in the matter following paragraph (5), by striking “whether the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, individually and collectively, are” and inserting “whether the Social Security Trust Fund is”. 
(3) INVESTMENTS.—Section 201 of such Act is amended in subsections (d) and (e) by striking “Trust Funds” each place it appears and inserting “Trust Fund”.

(4) CREDITING OF INTEREST AND PROCEEDS TO TRUST FUNDS.—Section 201(f) of such Act is amended—

(A) by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, respectively” and inserting “the Social Security Trust Fund shall be credited to and form a part of the Social Security Trust Fund”;

(B) by striking “either of the Trust Funds” and inserting “the Trust Fund”; and

(C) by striking “such Trust Fund” and inserting “the Trust Fund”.

(5) ADMINISTRATIVE COSTS.—Section 201(g) of such Act is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “Of the amounts authorized to be made
available out of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund under the preceding sentence” and all that follows through “(Public Law 103–296).”; (ii) in subparagraph (B)(i)—

(I) by striking subclauses (II) and (III) and inserting the following:

“(II) the portion of such costs which should have been borne by the Social Security Trust Fund,”; and

(II) by redesignating subclauses (IV) and (V) as subclauses (III) and (IV); (B) in paragraph (2)—

(i) by striking “Trust Funds” and inserting “Trust Fund”; and

(ii) by striking the last sentence; and (C) in paragraph (4), by striking “Trust Funds” each place it appears and inserting “Trust Fund”.

(6) BENEFIT PAYMENTS.—Section 201(h) of such Act is amended to read as follows:
“(h) All benefit payments required to be made under this title shall be made only from the Social Security Trust Fund.”.

(7) GIFTS.—Section 201(i) of such Act is amended—

(A) in paragraph (1), by striking “the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund” and inserting “the Social Security Trust Fund”; and

(B) in paragraph (2)(B), by striking “the Federal Old-Age and Survivors Insurance Trust Fund” and inserting “the Social Security Trust Fund”.

(8) TRAVEL EXPENSES.—Section 201(j) of such Act is amended by striking “the Federal Old-Age and Survivors Insurance Trust Fund, or the Federal Disability Insurance Trust Fund (as determined appropriate by the Commissioner of Social Security)” and inserting “the Social Security Trust Fund”.

(9) DEMONSTRATION PROJECTS.—Section 201(k) of such Act is amended by striking “the Federal Disability Insurance Trust Fund and the Federal Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Commissioner of
Social Security” and inserting “the Social Security
Trust Fund”.

(10) Benefit Checks.—Section 201(m) of
such Act is amended—

(A) in paragraph (2), by striking “each of
the Trust Funds” and inserting “the Social Se-
curity Trust Fund”;

(B) in paragraph (3), by striking “one of
the Trust Funds” and inserting “the Trust
Fund”; and

(C) by striking “such Trust Fund” each
place it appears and inserting “the Trust
Fund”.

(11) Conforming Repeals.—

(A) In General.—Section 201 of such
Act is amended by striking subsections (b), (l),
and (n).

(B) Redesignations.—Section 201 of
such Act is further amended—

(i) by redesignating subsections (c)
through (j) as subsections (b) through (i),
respectively;

(ii) by redesignating subsection (k) as
subsection (j); and
(iii) by redesignating subsection (m) as subsection (k).

(C) REFERENCES TO REDESIGNATED SECTIONS.—

(i) Section 201(a) of such Act, as amended by subsection (a) of this section, is further amended—

(I) by striking “subsection (i)(1)” and inserting “subsection (h)(1)”; and

(II) by striking “subsection (d)” and inserting “subsection (c)”.

(ii) Section 1131(b)(1) of such Act is amended by striking “section 201(g)(1)” and inserting “section 201(f)(1)”.

(e) OTHER CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT.—

(1) TITLE II.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(A) in section 202(x)(3)(B)(iii), by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate,” and inserting “the Social Security Trust Fund”;
(B) in section 206(d)(5), by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate” and inserting “the Social Security Trust Fund”; 

(C) in section 206(e)(3)(B), by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “the Social Security Trust Fund”; 

(D) in section 208(b)(5)(A), by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate” and inserting “the Social Security Trust Fund”; 

(E) in section 215(i)(1)(F)—

(i) in clause (i)—

(I) by striking “the combined balance in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “the balance in the Social Security Trust Fund”; and
(II) by striking "and reduced by the outstanding amount of any loan (including interest thereon) theretofore made to either such Fund from the Federal Hospital Insurance Trust Fund under section 201(l)”; and

(ii) in clause (ii)—

(I) by striking “the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “the Social Security Trust Fund”; and

(II) by striking “(other than payments” and all that follows through “from that Account”;

(F) in section 217(g)(2), by inserting after the first sentence the following: “For purposes of any such revision of the amount determined under paragraph (1) that occurs in a year after 2015, any reference in such paragraph to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund shall be deemed to be a reference to the Social Security Trust Fund.”;
(G) in section 221(e)—

(i) by striking “Trust Funds” each place it appears and inserting “Trust Fund”; and

(ii) by striking the last sentence;

(H) in section 221(f), by striking “Trust Funds” and inserting “Trust Fund”;

(I) in section 222(d)—

(i) in the section heading, by striking “TRUST FUNDS” and inserting “TRUST FUND”;

(ii) in paragraph (1), by striking “to the end that savings will accrue to the Trust Funds as a result of rehabilitating such individuals, there are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “to the end that savings will accrue to the Trust Fund as a result of rehabilitating such individuals, there are authorized to be transferred from the Social Security Trust Fund”; and

(iii) by amending paragraph (4) to read as follows:
“(4) The Commissioner of Social Security shall determine according to such methods and procedures as the Commissioner may deem appropriate the total amount to be reimbursed for the cost of services under this subsection.”;

(J) in section 228(g)—

(i) in the section heading, by striking “FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND” and inserting “SOCIAL SECURITY TRUST FUND”; and

(ii) in the matter preceding paragraph (1), by striking “Federal Old-Age and Survivors Insurance Trust Fund” and inserting “Social Security Trust Fund”;

(K) in section 231(c), by striking “Trust Funds” each place it appears and inserting “Trust Fund”; and

(L) in section 234(a)(1), by striking “Trust Funds” and inserting “Trust Fund”.

(2) TITLE VII.—Title VII of the Social Security Act (42 U.S.C. 901 et seq.) is amended—

(A) in section 703(j), by striking “Federal Disability Insurance Trust Fund, the Federal Old-Age and Survivors Insurance Trust Fund,” and inserting “Social Security Trust Fund”;
(B) in section 708(c), by striking “the ‘OASDI trust fund ratio’ under section 201(l),” after “computing”;  

(C) in section 709—

(i) in subsection (a), by striking “Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”; and

(ii) in subsection (b)—

(I) in paragraph (1), by striking “section 201(l) or”; and

(II) in paragraph (2), by striking “Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”; and

(D) in section 710—

(i) in subsection (a), by striking “Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”; and

(ii) in subsection (b)—
(I) by striking “any Trust Fund specified in subsection (a)” and inserting “the Social Security Trust Fund”; and

(II) by striking “payments from any such Trust Fund” and inserting “payments from the Social Security Trust Fund”.

(3) Title XI.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended—

(A) in section 1106(b), by striking “the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund” and inserting “the Social Security Trust Fund”;

(B) in section 1129(e)(2)(A), by striking “the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as determined appropriate by the Secretary” and inserting “the Social Security Trust Fund”;

(C) in sections 1131(b)(2) and 1140(c)(2), by striking “the Federal Old-Age and Survivors Insurance Trust Fund” and inserting “the Social Security Trust Fund”;
(D) in section 1145(c)—

(i) by striking paragraphs (1) and (2)

and inserting the following:

“(1) the Social Security Trust Fund;”; and

(ii) by redesignating paragraphs (3)

and (4) as paragraphs (2) and (3), respec-

(tively; and

(E) in section 1148(j)(1)(A)—

(i) in the first sentence, by striking

“the Federal Old-Age and Survivors Insur-

ance Trust Fund and the Federal Dis-

ability Insurance Trust Fund” and insert-

ing “the Social Security Trust Fund”; and

(ii) by striking the second sentence.

(4) TITLE XVIII.—Title XVIII of the Social Se-

curity Act (42 U.S.C. 1395) is amended—

(A) in section 1817(g), by striking “Fed-

eral Old-Age and Survivors Insurance Trust

Fund and from the Federal Disability Insur-

ance Trust Fund” and inserting “Social Secu-

rity Trust Fund”;

(B) in section 1840(a)(2), by striking

“Federal Old-Age and Survivors Insurance

Trust Fund or the Federal Disability Insurance
(f) CONFORMING AMENDMENTS OUTSIDE OF SOCIAL SECURITY ACT.—

(1) BUDGET.—

(A) OFF-BUDGET EXEMPTION.—Section 405(a) of the Congressional Budget Act of 1974 (2 U.S.C. 655(a)) is amended by striking “Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds” and inserting “Social Security Trust Fund”.

(B) SEQUESTRATION EXEMPTION.—Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by striking “Payments to Social Security Trust Funds” and inserting “Payments to the Social Security Trust Fund”.

(2) TAX.—
(A) TAXABLE WAGES.—Section 3121(l)(4) of the Internal Revenue Code of 1986 is amended by striking “Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”.

(B) OVERPAYMENTS.—

(i) Section 6402(d)(3)(C) of the Internal Revenue Code of 1986 is amended by striking “Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, whichever is certified to the Secretary as appropriate by the Commissioner of Social Security” and inserting “Social Security Trust Fund”.

(ii) Subsection (f)(2)(B) of section 3720A of title 31, United States Code, is amended by striking “Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, whichever is certified to the Secretary of the Treasury as appropriate by the Commissioner of Social Security” and inserting “Social Security Trust Fund”.
(3) FALSE CLAIMS PENALTIES.—Subsection (g)(2) of section 3806 of title 31, United States Code, is amended—

(A) in subparagraph (B)—

(i) by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”; and

(ii) by striking “Federal Old-Age and Survivors Insurance Trust Fund” and inserting “Social Security Trust Fund”; and

(B) in subparagraph (C)—

(i) by striking “Secretary of Health and Human Services” and inserting “Commissioner of Social Security”; and

(ii) by striking “Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”.

(4) RAILROAD RETIREMENT BOARD.—Section 7 of the Railroad Retirement Act of 1974 (45 U.S.C. 231f) is amended—

(A) in subsection (b)(2), by striking “Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund” and inserting “Social Security Trust Fund”;
(B) in subsection (e)(2)—

(i) by striking “Secretary of Health, Education, and Welfare” each time it appears and inserting “Commissioner of Social Security”; and

(ii) by striking “Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund,” each time it appears and inserting “Social Security Trust Fund”; and

(C) in subsection (e)(4), by striking “Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund,” and inserting “Social Security Trust Fund”.

(g) RULE OF CONSTRUCTION.—Effective beginning on January 1, 2020, any reference in law to the “Federal Old-Age and Survivors Insurance Trust Fund” or the “Federal Disability Insurance Trust Fund” is deemed to be a reference to the Social Security Trust Fund.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2020.