

Rep. Sowerby offered the following resolution:

**House Resolution No. 77.**

A resolution to urge the Congress of the United States to eliminate the cap on taxable earnings for Social Security.

Whereas, In 1935, President Roosevelt signed into law the Society Security Act. In the more than 80 years since its passage, this hallmark Great Depression program has provided a critical safety net to our nation's retirees, their surviving spouses, and to those with disabilities. Today, tens of millions of Americans count on their monthly Social Security benefit to make mortgage payments, rent payments, pay utility bills, and buy groceries; and

Whereas, The Social Security program is financed through legislatively-set payroll tax deductions. Since 1990, employers and employees have each remitted 6.2 percent of taxable earnings to the program. Individuals who are self-employed remit 12.4 percent to the program. The tax is calculated on taxable earnings up to certain amount, which changes annually according to the national wage index. The cap was installed originally to subject 90 percent of earnings nationwide to the program's levy; and

Whereas, The Social Security program's payroll tax is unfairly regressive. For the 2017 calendar year, only the first \$127,200 of taxable earnings are subject to the Social Security payroll tax, limiting the financial burden of the program for well-to-do workers and families. Since 1980, this policy has benefited about 7 percent of covered high-income workers each year; and

Whereas, According to the Social Security Trustees, the Social Security Trust Fund can only provide full benefit payments through 2034. In 2035, incoming payroll deductions will only be sufficient to support 75 percent of promised benefits. This impending crisis is caused, in part, by the growing rich-poor wage disparity in the United States that has led to the payroll tax capturing only 83 percent of covered payroll rather than the intended 90 percent. This self-inflicted financial crisis will devastate a generation of Americans who have come to expect and plan for regular Social Security benefit payments from a system they have spent their entire careers supporting faithfully; and

Whereas, To maintain the solvency of the Social Security Trust Fund and provide meaningful benefits, Congress has raised the payroll tax more than 20 times since 1937 and indexed the payroll cap to inflation. Despite these actions, the solvency of the trust fund is once again in jeopardy. Faced with a similar issue in 1994, Congress chose to eliminate the cap on Medicare payroll tax deductions, and the same action should be taken for the Social Security program; and

Whereas, Eliminating the cap is necessary for the preservation of the Social Security program and the wellbeing of American retirees. The additional payroll tax revenue that will be generated by subjecting earnings over the wage base cap will help solidify the Social Security Trust Fund for the next generation of American workers. This would ensure the Social Security program continues to provide predictable, plannable retirement income for decades to come; now, therefore, be it

Resolved by the House of Representatives, That we urge the Congress of the United States to eliminate the cap on taxable wages for Social Security; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.