

Detailed Single Year Tables
Category of Change: Taxation of Benefits

Proposed Provision: H3. Starting in 2019, modify personal income tax by: (a) establishing two-brackets with marginal rates of 15 and 27 percent separated at \$51,000 (CPI indexed); (b) creating a non-refundable credit for low-income tax filers age 65 and older; and (c) treating capital gains as regular income. Tax all Social Security benefits at the applicable marginal rate (15 or 27 percent) less 7.5 percent, with 60 percent of this revenue going to OASDI and 40 percent going to HI.

| Proposal | | | | | Change from Current Law | | | |
|--|------------------|-------------|-----------------------|----------------------------------|--|---------------|-------------|-----------------------|
| Expressed as a percentage of current-law taxable payroll | | | | | Expressed as a percentage of current-law taxable payroll | | | |
| Year | Income | | Annual Balance | Trust Fund Ratio 1-1-year | Cost Rate | Income | | Annual Balance |
| | Cost Rate | Rate | | | | Rate | Rate | |
| 2017 | 13.41 | 13.03 | -0.38 | 298 | 0.00 | 0.00 | 0.00 | |
| 2018 | 13.49 | 12.93 | -0.56 | 287 | 0.00 | 0.00 | 0.00 | |
| 2019 | 13.70 | 13.05 | -0.64 | 273 | 0.00 | 0.11 | 0.11 | |
| 2020 | 13.85 | 13.06 | -0.80 | 259 | -0.00 | 0.09 | 0.10 | |
| 2021 | 14.02 | 13.07 | -0.95 | 246 | -0.00 | 0.08 | 0.08 | |
| 2022 | 14.26 | 13.09 | -1.17 | 232 | -0.00 | 0.07 | 0.07 | |
| 2023 | 14.54 | 13.10 | -1.44 | 217 | -0.00 | 0.05 | 0.05 | |
| 2024 | 14.83 | 13.12 | -1.70 | 201 | -0.00 | 0.04 | 0.04 | |
| 2025 | 15.10 | 13.13 | -1.97 | 185 | 0.00 | 0.03 | 0.03 | |
| 2026 | 15.37 | 13.15 | -2.23 | 168 | 0.00 | 0.01 | 0.01 | |
| 2027 | 15.62 | 13.16 | -2.46 | 151 | 0.00 | 0.01 | 0.01 | |
| 2028 | 15.85 | 13.17 | -2.68 | 133 | 0.00 | 0.00 | 0.00 | |
| 2029 | 16.07 | 13.18 | -2.88 | 115 | 0.00 | -0.00 | -0.00 | |
| 2030 | 16.27 | 13.19 | -3.07 | 97 | 0.00 | -0.00 | -0.00 | |
| 2031 | 16.45 | 13.20 | -3.25 | 78 | 0.00 | -0.01 | -0.01 | |
| 2032 | 16.61 | 13.21 | -3.40 | 59 | 0.00 | -0.01 | -0.01 | |
| 2033 | 16.74 | 13.22 | -3.52 | 40 | 0.00 | -0.01 | -0.01 | |
| 2034 | 16.85 | 13.22 | -3.63 | 19 | 0.00 | -0.01 | -0.01 | |
| 2035 | 16.93 | 13.23 | -3.70 | --- | 0.00 | -0.01 | -0.01 | |
| 2036 | 16.99 | 13.23 | -3.76 | --- | 0.00 | -0.02 | -0.02 | |
| 2037 | 17.02 | 13.23 | -3.79 | --- | 0.00 | -0.02 | -0.02 | |
| 2038 | 17.02 | 13.23 | -3.79 | --- | 0.00 | -0.02 | -0.02 | |
| 2039 | 17.00 | 13.23 | -3.77 | --- | 0.00 | -0.02 | -0.02 | |
| 2040 | 16.96 | 13.23 | -3.73 | --- | 0.00 | -0.02 | -0.02 | |
| 2041 | 16.91 | 13.22 | -3.69 | --- | 0.00 | -0.02 | -0.02 | |
| 2042 | 16.86 | 13.22 | -3.64 | --- | 0.00 | -0.02 | -0.02 | |
| 2043 | 16.81 | 13.22 | -3.59 | --- | 0.00 | -0.02 | -0.02 | |
| 2044 | 16.76 | 13.22 | -3.54 | --- | 0.00 | -0.02 | -0.02 | |
| 2045 | 16.72 | 13.21 | -3.50 | --- | 0.00 | -0.02 | -0.02 | |
| 2046 | 16.68 | 13.21 | -3.47 | --- | 0.00 | -0.02 | -0.02 | |
| 2047 | 16.65 | 13.21 | -3.43 | --- | 0.00 | -0.02 | -0.02 | |
| 2048 | 16.62 | 13.21 | -3.41 | --- | 0.00 | -0.02 | -0.02 | |
| 2049 | 16.59 | 13.21 | -3.38 | --- | 0.00 | -0.02 | -0.02 | |
| 2050 | 16.57 | 13.21 | -3.36 | --- | 0.00 | -0.02 | -0.02 | |
| 2051 | 16.56 | 13.21 | -3.35 | --- | 0.00 | -0.02 | -0.02 | |
| 2052 | 16.56 | 13.21 | -3.35 | --- | 0.00 | -0.02 | -0.03 | |
| 2053 | 16.57 | 13.21 | -3.36 | --- | 0.00 | -0.03 | -0.03 | |
| 2054 | 16.59 | 13.21 | -3.38 | --- | 0.00 | -0.03 | -0.03 | |
| 2055 | 16.62 | 13.21 | -3.41 | --- | 0.00 | -0.03 | -0.03 | |
| 2056 | 16.66 | 13.21 | -3.44 | --- | 0.00 | -0.03 | -0.03 | |
| 2057 | 16.70 | 13.22 | -3.48 | --- | 0.00 | -0.03 | -0.03 | |
| 2058 | 16.74 | 13.22 | -3.52 | --- | 0.00 | -0.03 | -0.03 | |
| 2059 | 16.78 | 13.22 | -3.56 | --- | 0.00 | -0.03 | -0.03 | |
| 2060 | 16.83 | 13.22 | -3.61 | --- | 0.00 | -0.03 | -0.03 | |
| 2061 | 16.87 | 13.22 | -3.65 | --- | 0.00 | -0.03 | -0.03 | |
| 2062 | 16.92 | 13.23 | -3.70 | --- | 0.00 | -0.03 | -0.03 | |
| 2063 | 16.97 | 13.23 | -3.74 | --- | 0.00 | -0.03 | -0.03 | |
| 2064 | 17.02 | 13.23 | -3.79 | --- | 0.00 | -0.03 | -0.03 | |
| 2065 | 17.07 | 13.23 | -3.83 | --- | 0.00 | -0.03 | -0.03 | |
| 2066 | 17.12 | 13.24 | -3.88 | --- | 0.00 | -0.03 | -0.03 | |
| 2067 | 17.17 | 13.24 | -3.93 | --- | 0.00 | -0.03 | -0.04 | |
| 2068 | 17.22 | 13.24 | -3.98 | --- | 0.00 | -0.04 | -0.04 | |
| 2069 | 17.27 | 13.25 | -4.03 | --- | 0.00 | -0.04 | -0.04 | |
| 2070 | 17.33 | 13.25 | -4.08 | --- | 0.00 | -0.04 | -0.04 | |
| 2071 | 17.37 | 13.25 | -4.12 | --- | 0.00 | -0.04 | -0.04 | |
| 2072 | 17.41 | 13.25 | -4.16 | --- | 0.00 | -0.04 | -0.04 | |
| 2073 | 17.45 | 13.25 | -4.19 | --- | 0.00 | -0.04 | -0.04 | |
| 2074 | 17.48 | 13.26 | -4.22 | --- | 0.00 | -0.04 | -0.04 | |
| 2075 | 17.50 | 13.26 | -4.25 | --- | 0.00 | -0.04 | -0.04 | |
| 2076 | 17.52 | 13.26 | -4.26 | --- | 0.00 | -0.04 | -0.04 | |
| 2077 | 17.53 | 13.26 | -4.27 | --- | 0.00 | -0.04 | -0.04 | |
| 2078 | 17.52 | 13.26 | -4.27 | --- | 0.00 | -0.04 | -0.04 | |
| 2079 | 17.52 | 13.26 | -4.26 | --- | 0.00 | -0.04 | -0.04 | |
| 2080 | 17.51 | 13.26 | -4.25 | --- | 0.00 | -0.04 | -0.04 | |
| 2081 | 17.51 | 13.26 | -4.25 | --- | 0.00 | -0.04 | -0.04 | |
| 2082 | 17.51 | 13.26 | -4.25 | --- | 0.00 | -0.04 | -0.04 | |
| 2083 | 17.51 | 13.26 | -4.25 | --- | 0.00 | -0.04 | -0.04 | |
| 2084 | 17.53 | 13.26 | -4.27 | --- | 0.00 | -0.04 | -0.04 | |
| 2085 | 17.55 | 13.26 | -4.29 | --- | 0.00 | -0.04 | -0.04 | |
| 2086 | 17.58 | 13.26 | -4.32 | --- | 0.00 | -0.04 | -0.04 | |
| 2087 | 17.62 | 13.26 | -4.35 | --- | 0.00 | -0.04 | -0.04 | |
| 2088 | 17.66 | 13.27 | -4.39 | --- | 0.00 | -0.04 | -0.04 | |
| 2089 | 17.70 | 13.27 | -4.43 | --- | 0.00 | -0.04 | -0.04 | |
| 2090 | 17.75 | 13.27 | -4.48 | --- | 0.00 | -0.04 | -0.04 | |
| 2091 | 17.80 | 13.27 | -4.52 | --- | 0.00 | -0.04 | -0.04 | |
| 2092 | 17.84 | 13.28 | -4.57 | --- | 0.00 | -0.04 | -0.04 | |

| Summarized Estimates: Proposal | | | | |
|---------------------------------------|-----------|-------------|-------------------|--|
| | Cost Rate | Income Rate | Actuarial Balance | Year of reserve depletion ¹ |
| 2017 | | | | |
| -2091 | 16.67% | 13.82% | -2.84% | 2034 |

| Summarized Estimates: Change from Current Law | | |
|--|-------------|-------------------|
| Cost Rate | Income Rate | Actuarial Balance |
| 0.00% | -0.01% | -0.01% |

¹ Under current law, the year of Trust Fund reserve depletion is 2034.