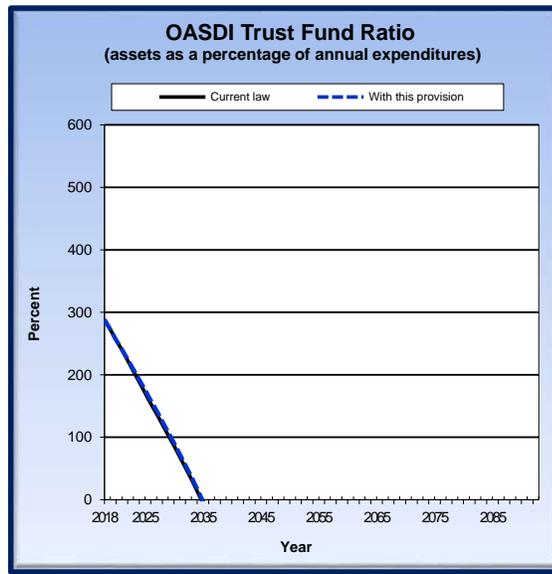
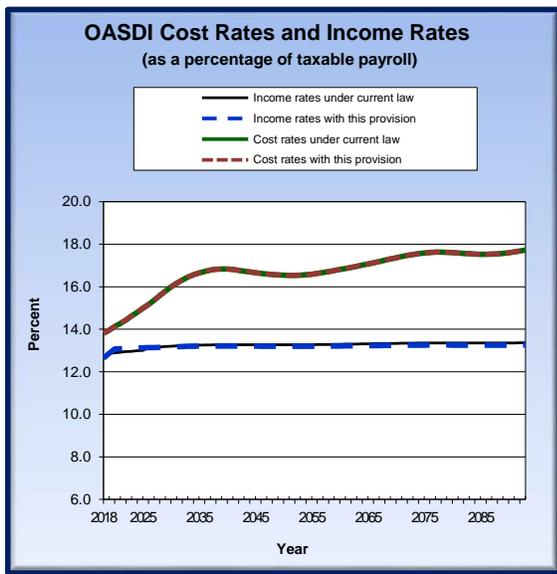


**Summary Measures and Graphs**  
**Category of Change: Taxation of Benefits**

*Proposed Provision: H3. Starting in 2020, 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.*

Current law [percent of payroll]		Change from current law [percent of payroll]		Shortfall eliminated	
Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
-2.84	-4.32	-0.05	-0.10	-2%	-2%



Estimates based on the intermediate assumptions of the 2018 Trustees Report

Office of the Chief Actuary  
 Social Security Administration  
 June 5, 2018