

SENATE JOINT RESOLUTION NO. 5  
INTRODUCED BY J. ELLINGSON

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE PRESIDENT OF THE UNITED STATES AND CONGRESS TO ENACT AN EXEMPTION OF THE FIRST \$20,000 OF INDIVIDUAL EARNINGS FROM THE SOCIAL SECURITY PAYROLL TAX.

WHEREAS, On June 7, 2001, President Bush signed the Economic Growth and Tax Relief Reconciliation Act of 2001; and

WHEREAS, the Act provides \$1.35 trillion in tax cuts over 11 years; and

WHEREAS, high-income taxpayers have received a substantial benefit from the tax reduction and are scheduled to receive additional tax reductions as the tax cuts are phased in; and

WHEREAS, the vast majority of taxpayers have already received most of the benefit from the tax reduction; and

WHEREAS, President Bush is formulating a new economic stimulus package that will be unveiled at the State of the Union address in January 2003; and

WHEREAS, workers and employers were subject to the Social Security payroll tax at the rate of 6.2% on earnings up to \$84,900 in 2002; and

WHEREAS, according to some analysts, four out of five workers in America now pay more in payroll taxes than they do in income taxes;

WHEREAS, a reduction in payroll taxes would help employers, who would be relieved of their share of the tax, retain workers on their payroll; and

WHEREAS, the Business Roundtable, representing 150 of the country's largest corporations, has recommended that a portion of individual earnings be exempt from the Social Security payroll tax; and

WHEREAS, an exemption from the Social Security payroll tax would provide needed tax relief for our workers and employers, while giving our economy an important stimulus.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislature urges the President of the United States to include an exemption of the first \$20,000

in individual earnings from the Social Security payroll tax in an economic stimulus package and that the President and Congress work together to enact a payroll tax exemption.

BE IT FURTHER RESOLVED, that the Secretary of State send copies of this resolution to the President of the United States and to members of the United States Congress.

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