

Table T07-0035
Change Social Security Rate to 5.35% and Eliminate the Cap on Social Security
Static Impact on Revenue (\$ billions), 2009-13¹

	Year					
	2009	2010	2011	2012	2013	2009-13
Fiscal Year Revenue²						
Adjust Social Security Rate and Eliminate Cap	6.2	8.1	7.8	7.4	6.7	36.1
Calendar Year Liability						
Adjust Social Security Rate and Eliminate Cap	8.3	8.1	7.7	7.3	6.5	37.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 1006-1).

(1) This proposal is effective January 1, 2009. The baseline assumes that the tax cuts are extended. In the alternate simulation, the social security rate for both employers and individuals decreases from 6.2% to 5.35% and the maximum taxable earnings ceiling for Social Security is eliminated (in the baseline it ranges from \$106,800 in 2009 to \$126,000 in 2013). The estimates are static and do not account for any potential microeconomic behavioral response.

(2) Fiscal-year revenue numbers assume a 75-25 split. The actual effect on receipts could differ.