Marcy Kaptur Voted For Higher Taxes On Tips, Higher Taxes On Overtime, And Even High Taxes On Social Security Benefits. Marcy's Plan Would Cost The Average Ohio Worker Up To Seventeen Hundred Dollars More Per Year.

NO TAX ON TIPS

<u>Kaptur Voted Against The One Big Beautiful Bill Act, Which Would Eliminate Income Taxes On Tipped Wages For Those Making Less Than $160,000, Saving The Average Tipped Worker $1,800 Annually</u>

The One Big Beautiful Bill Act Contains A Provision That Allows For A Tax Deduction For All Tips Received. "(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified tips received during the taxable year that are included on statements furnished to the by the taxpayer on Form 4137 (or successor)." (H.R. 1, Introduced: 5/20/25)

The One Big Beautiful Bill Act Contains A Provision That Would Eliminate Federal Income Taxes On Tips For Individuals Earning Less Than $160,000. "It would create a new tax deduction eliminating federal income taxes on tips for people working in jobs that have traditionally received them, as long as they make less than $160,000 in 2025. The Trump administration would publish a list of qualifying occupations within 90 days of the bill's signing." (Wyatte Grantham-Phillips and Jonathan J. Cooper, "What To Know About 'No Tax On Tips,' Trump's Tax Pledge That's In The GOP Budget Bill," PBS, 5/22/25)

According To The Tax Policy Center, The Removal Of Income Tax On Tips Would Give Tipped Workers An Average Tax Cut Of $1,800. "Even among tipped workers, benefits would be limited. TPC estimated only about 60 percent of households with tipped workers would benefit if they could deduct tips from taxable income. Their average tax cut: about $1,800." (Howard Gleckman, "Exempting Tips From Federal Income Tax Would Benefit Very Few Workers," Tax Policy Center, 9/19/24)

Leaving Out Those Who Already Don't Pay Federal Income Tax, Roughly 63% Of Tipped Workers Would See A Reduction In Their Tax Burden. "For many low-income Americans, payroll taxes, rather than the income tax, are the biggest taxes they pay. Roughly 37 percent of tipped workers already don't owe any federal income tax, according to an estimate from the Budget Lab at Yale." (Alicia Parlapiano and Andrew Durden, "An Illustrated Guide To Who Really Benefits From 'No Tax On Tips'," *The New York Tines*, 6/5/25)

NO TAX ON OVERTIME

<u>Kaptur Voted Against The One Big Beautiful Bill Act, Which Would Reduce Taxes On Overtime Pay, Saving The Average Overtime Worker Between $1,400 And $1,750 Per Year</u>

The One Big Beautiful Bill Act (OBBA) contains a provision that allows for a tax deduction for all qualified overtime pay. "'(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified overtime compensation received during the taxable year." (H.R. 1, Introduced: 5/20/25)

HEADLINE: "Work Overtime? You May Soon Get a Tax Cut." (Andrew Duehren, "Work Overtime? You May Soon Get A Tax Cut.," *New York Times*, 6/6/25)

(Andrew Duehren, “Work Overtime? You May Soon Get A Tax Cut.,” *New York Times*, 6/6/25)

The Tax Break Would Be Available To Almost All American Workers Who Work Overtime And Are Paid An Hourly Wage. “Under the sprawling domestic policy bill that Republicans pushed through the House and are preparing to steer through the Senate, the tax break would be limited. It would be available only to Americans who, under federal law, must be paid at a time-and-a-half rate for working any time exceeding 40 hours in a week. That’s a broad group that includes almost all Americans who are paid an hourly wage, but many salaried workers would not be eligible.” (Andrew Duehren, “Work Overtime? You May Soon Get a Tax Cut.,” *New York Times*, 6/6/25)

The White House Counsel Of Economic Advisers Estimates That The Average Overtime Worker Would Get Their Tax Burden Lowered By Between $1,400 And $1,750 Per Year. “The White House Council of Economic Advisers — who work for Trump — estimated that the average overtime worker would get a tax break of $1,400 to $1,750 per year until it expired in 2028.” (Ryan Teague Beckwith, “Has The Overtime Tax Exemption Passed? Here’s Where Things Stand,’ NBC News, 5/30/25)

The Institute On Taxation And Policy Estimates It Would Save Overtime Workers An Average Of $330, With A Range Of $80 To $940. “But An Analysis From The Institute On Taxation And Economic Policy Pegged The Average Tax Savings at a much lower $330 per year. What's more, it found that it would benefit higher-income workers more, with the bottom 60% snagging an average of $80 and the top 20% pocketing an average of $940.” (Ryan Teague Beckwith, “Has The Overtime Tax Exemption Passed? Here’s Where Things Stand,’ NBC News, 5/30/25)

The Provision Eliminating Taxes On Overtime Was Supported By Law Enforcement, Which Claimed It Would Help With Officer Retention And Morale

HEADLINE: “Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination” (Emma Colton, “Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination,” Fox News, 5/19/25)


POLICE AND LAW ENFORCEMENT

Trump's 'big, beautiful bill' wins support from police for overtime tax elimination

Officers say the tax break would improve retention and provide financial relief for law enforcement families

By Emma Colton · Fox News

Published May 19, 2025 8:50am EDT

(Emma Colton, “Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination,” Fox News, 5/19/25)

Law Enforcement Supported The Provision Eliminating Taxes On Overtime Work And Claimed It Would Have A Positive Impact On Officer Retention And Morale. “FIRST ON FOX: Police officers are rallying behind a provision in President Donald Trump's ‘big, beautiful bill’ to end taxing overtime work, which they say would have a favorable ripple effect on officer retention and morale.” (Emma Colton, “Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination,” Fox News, 5/19/25)

Kaptur Voted Against The One Big Beautiful Bill Act, Which Extends The 2017 Trump Tax Cuts, Preventing The Average Person In Kaptur’s District A $1,548 Tax Increase

On May 22, 2025, Kaptur Voted Against H.R. 1, The One Big Beautiful Bill Act. “Passage of the bill that would provide for approximately $3.8 trillion in net tax cuts and $321 billion in military, border enforcement and judiciary spending, offset by $1.5 trillion in spending reductions, as instructed in the fiscal 2025 budget resolution (H Con Res 14). It would raise the statutory debt limit by $4 trillion and provide for increased spending on defense and border security, spending cuts on social safety net programs, such as Medicaid and the Supplemental Nutrition Assistance Program. It also includes a mix of tax breaks for businesses and individuals; tax increases on universities and foundations; and a phase-down of clean energy tax credits. It would reduce spending on Medicaid by $625 billion over a 10-year period and modify eligibility and cost provisions for enrollees and health providers and impose work, volunteer and education requirements on adults ages 19 to 64 who are covered by the program. It would appropriate “such sums as necessary” for reducing cost-sharing payments for low-income individuals who've purchased "silver" plans on the 2010 health care law's exchanges. But payments to plans that cover abortions would be mostly barred. It would extend and make permanent individual tax brackets and rates included in the 2017 tax overhaul law (PL 115-97) and provide for the adjustment of the lower bounds of each tier based on inflation. It would reduce federal spending on the Supplemental Nutrition Assistance Program by requiring states to shoulder more of the cost, expand work requirements for SNAP, extend programs authorized under the 2018 farm bill, and prohibit the U.S. Department of Agriculture from increasing the cost of the Thrifty Food Program. As amended, it would cap state and local tax deductions at $40,000 for households with incomes below $500,000 and prohibit Medicaid funding for gender transition therapies or procedures for minors and adults, among other provisions." (H.R. 1, Roll Call #145, Passed: 215-214-1-2; R:215-2-1; D:0-212; Kaptur Voted Nay, 5/22/25; CQ, Accessed: 6/10/25)

One Big Beautiful Bill Act Makes The 2017 Tax Cuts Permanent. "Republicans look to make permanent the individual income and estate tax cuts passed in Trump's first term, in 2017, plus enact promises he made on the 2024 campaign trail to not tax tips, overtime and interest on some auto loans." (Kevin Freking and Lisa Mascaro, "House Republicans Narrowly Passed Trump's 'Big, Beautiful' Bill. Here's What's In It," PBS, 5/22/25)

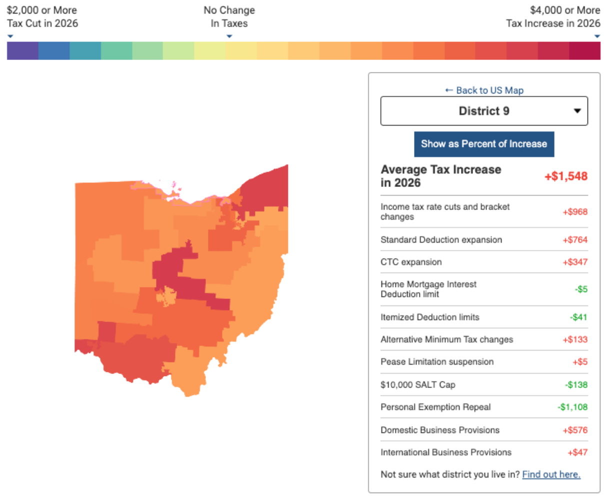
The Tax Cuts And Jobs Act Lowered The Average Tax Rates For All Income Groups. ("Tax Cuts And Jobs Act (TCJA)," Tax Foundation, Accessed: 2/26/24)

("Tax Cuts And Jobs Act (TCJA)," Tax Foundation, Accessed: 2/26/24)

In April 2019, The New York Times Reported That The 2017 Tax Bill Cut Taxes For A Large Majority Of Americans. "If you're an American taxpayer, you probably got a tax cut last year. And there's a good chance you don't believe it. Ever since President Trump signed the Republican-sponsored tax bill in December 2017, independent analyses have consistently found that a large majority of Americans would owe less because of the law. Preliminary data based on tax filings has shown the same." (Ben Casselman and Jim Tankersley, "Face It: You (Probably) Got A Tax Cut," *The New York Times*, 4/14/19)

The House Bill Provided $4.5 Trillion To Extend The 2017 Tax Cuts And Jobs Act Provisions, Which Are Set To Expire At The End Of 2025. "As written, the House bill also provided $4.5 trillion to extend President Donald Trump's 2017 Tax Cuts and Jobs Act provisions, which expire at the end of this year." (Elizabeth Elkind, "Trump Budget Bill Extending First-Term Tax Cuts Survives House Vote," Fox News, 2/25/25)

According To The Tax Foundation, The Expiration Of The Tax Cuts And Jobs Act Tax Provisions Would On Average Raise Taxes In OH-09 By $1,548. (Garrett Watson and Erica York, "Expiring TCJA Tax Provisions In 2026 Would Produce Substantial Tax Hike Across The US," Tax Foundation, 5/7/24)



(Garrett Watson and Erica York, "Expiring TCJA Tax Provisions In 2026 Would Produce Substantial Tax Hike Across The US," Tax Foundation, 5/7/24)

SOCIAL SECURITY TAXATION

In March 1983, Kaptur Voted In Favor Of Taxing Social Security

The Taxation Of Social Security Began In 1984 Following The Passage Of A Set Of Amendments In 1983, Which Were Signed Into Law By President Ronald Reagan. "Q3. Which political party started taxing Social Security annuities? A3. The taxation of Social Security began in 1984 following passage of a set of Amendments in 1983, which were signed into law by President Reagan in April 1983. These amendments passed the Congress in 1983 on an overwhelmingly bi-partisan vote. The basic rule put in place was that up to 50% of Social Security benefits could be added to taxable income, if the taxpayer's total income exceeded certain thresholds. The taxation of benefits was a proposal which came from the Greenspan Commission appointed by President Reagan and chaired by Alan Greenspan (who went on to later become the Chairman of the Federal Reserve)." (Social Security History, Social Security Administration, Accessed 7/31/24)

- **"The Basic Rule Put In Place Was That Up To 50% Of Social Security Benefits Could Be Added To Taxable Income, If The Taxpayer's Total Income Exceeded Certain Thresholds."** (Social Security History, Social Security Administration, Accessed 7/31/24)
- **Under The Legislation Enacted In 1983, The Social Security Trust Fund Received Taxes On Up To 50 Percent Of Benefits From Single Taxpayers With Incomes Over $25,000 And From Taxpayers Filing Jointly With Incomes Over $32,000.** "Under legislation enacted in 1983, the Social Security Trust Funds receive income based on Federal income taxation of benefits. The funds receive taxes on up to 50 percent of benefits from single taxpayers with incomes over $25,000 and from taxpayers filing jointly with incomes over $32,000." (Taxation Of Social Security Benefits, Social Security Administration, Accessed 7/31/24)

On March 24, 1983, Kaptur Voted To Agree To The Conference Report On HR 1900, Which Protected The Solvency Of The Social Security Trust Funds. "Part C: Revenue Provisions - Amends the Internal Revenue Code to include in gross income the lesser of: (1) one-half of the social security benefits received by a taxpayer during the taxable year; or (2) one-half of the amount by which the sum of a taxpayer's modified adjusted gross income plus one-half of the social security benefits received by the taxpayer during the taxable year exceeds a base amount. Defines 'modified adjusted gross income' as adjusted gross income: (1) determined without regard to this part or to certain deductions and exemptions; and (2) increased by any tax-exempt interest received by the taxpayer during the taxable year. Defines the base amount as: (1) $25,000 for an individual; (2) $32,000 for married persons filing a joint return; and (3) zero for married persons filing separate returns. Defines as 'social security benefits' OASDI benefits and tier 1 railroad retirement benefits." (HR 1900, Roll Call Vote #43: Passed 243-102, 3/24/83, Kaptur Voted Yea)

- **On April 20, 1983, HR 1900 Became Law.** (HR 1900, Became Law 4/20/83)

In August 1993, Kaptur Voted To Increase The Portion Of Social Security Benefits Subject To Taxation From 50 Percent To 85 Percent

Legislation Enacted In 1993 Extended Taxation Of Social Security Benefits, Increasing The Limitation On The Amount Of Benefits Subject To Taxation From 50 Percent To 85 Percent. "Legislation enacted in 1993 extended taxation of benefits. The legislation increased the limitation on the amount of benefits subject to taxation from 50 percent to 85 percent for single taxpayers with incomes over $34,000 and for taxpayers filing jointly with incomes over $44,000. All additional tax income resulting from the 1993 legislation is deposited in Medicare's Hospital Insurance Trust Fund." (Taxation Of Social Security Benefits, Social Security Administration, Accessed 7/31/24)

The 1993 Legislation Raised The Portion Of Social Security Benefits Subject To Taxation From 50 Percent To 85 Percent, But The Increase Only Applied To "Higher Income" Beneficiaries. "Q4. Which political party increased the taxes on Social Security annuities? A4. In 1993, legislation was enacted which had the effect of increasing the tax put in place under the 1983 law. It raised from 50% to 85% the portion of Social Security benefits subject to taxation; but the increased percentage only applied to 'higher income' beneficiaries. Beneficiaries of modest incomes might still be subject to the 50% rate, or to no taxation at all, depending on their overall taxable income. This change in the tax rate was one provision in a massive Omnibus Budget Reconciliation Act (OBRA) passed that year. The OBRA 1993 legislation was deadlocked in the Senate on a tie vote of 50-50 and Vice President Al Gore cast the deciding vote in favor of passage. President Clinton signed the bill into law on August 10, 1993." (Social Security History, Social Security Administration, Accessed 7/31/24)

- **The Social Security Taxation Provision Was Part Of The 1993 Omnibus Budget Reconciliation Act.** "In 1993, as part of Omnibus Budget Reconciliation Act, the Social Security taxation provision was modified to add a secondary set of thresholds and a higher taxable percentage for beneficiaries who exceeded the secondary thresholds." (Agency History, Social Security Administration, Accessed 7/31/24)

On August 5, 1993, Kaptur Voted To Agree To The Conference Report On HR 2264, Which Extended Taxation Of Social Security Benefits. "Part III: Provisions Relating to Parts A and B - Amends SSA title XVIII and the Internal Revenue Code (IRC) to make changes with regard to Medicare as secondary payer, extending requirements for: (1) employer responses to carrier inquiries; (2) Internal Revenue Service (IRS) and Social Security Administration disclosure of certain taxpayer information; and (3) disabled beneficiaries and beneficiaries with end stage renal disease. Details employer aggregation rules, and revises certain group health plans requirements." (HR 2264, Roll Call Vote #406: Passed 218-216, 8/5/93, Kaptur Voted Aye)

- **On August 10, 1993, HR 2264 Became Law.** (HR 2264, Became Law 8/10/93)

Kaptur Voted Against The One Big Beautiful Bill Act, Which Provided $6,000 In Additional Tax Deductions For Seniors Over The Ages Of 65 Who Make Less Than $75,000

The One Big Beautiful Bill Act Provided $6,000 In Additional Tax Deductions For Seniors Over The Ages Of 65 Who Make Less Than $75,000. "OBBB permanently extends the doubled standard deduction from TCJA. It also provides an extra $750 to the standard deduction for single taxpayers and $1,500 for married couples in 2025 and adjusts those amounts for inflation yearly beginning in 2026. Altogether, these changes are projected to cost $1.4 trillion from 2025-2034. On top of those increases to the standard deduction, OBBB adds an additional $6,000 deduction (per individual) for taxpayers 65 or older. This new deduction supplements a preexisting addition to the standard deduction for seniors of $2,000 for single filers and $1,600 per qualifying individual for married filers. This addition to the standard deduction is not available to tax filers who itemize deductions. To be eligible, the taxpayer and their spouse (if married) must have Social

Security numbers. The deduction will phase out at a 6% rate for single taxpayers earning more than $75,000 and married taxpayers earning more than $150,000. A single taxpayer (age 65+) earning $85,000, for example, will be eligible for an additional deduction of $5,400. The deduction will phase out entirely for single taxpayers with income above $175,000 and married taxpayers with income above $250,000." (Emerson Sprick, "The 2025 Tax Bill: Additional $6,000 Deduction For Seniors, Simplified," Bipartisan Policy Center, 6/12/25)