
REMAPPING DEBATE

Asking "Why" and "Why Not"

Democrats hide when asked about ending high-income loophole to assure Social Security's future

Original Reporting | By Samantha Cook | Social Security, Taxes

April 10, 2013 — For all the talk of the Social Security system [running out of money](#), it is well established that raising or eliminating the cap on the wages subject to payroll taxes would guarantee a healthy Social Security system for many decades, and do so without cutting benefits or raising the retirement age.

PUT YOUR CARDS ON THE TABLE

Narrowing or eliminating the exclusion of earnings above \$113,700 from Social Security taxation may or may not be a good idea, but it is surely a matter central to the public policy choices to be made, and is a matter of significant public interest.

We call on our colleagues in the press to pose the questions we have asked until each senator has given answers fully responsive to those inquiries.

— *Editor*

Public support for elimination of the payroll tax cap is high. According to a [National Academy of Social Insurance Survey](#) conducted in 2012, 68 percent of Americans favor eliminating the cap.

Only the top 5.2 percent income earners would pay more in payroll taxes if the cap were completely eliminated; if the cap were eliminated for income over \$250,000, only the wealthiest 1.3 percent would pay more. Both estimates come from the [Center for Economic and Policy Research](#).

Nevertheless, these routes to ensuring the promises made to workers that they could rely Social Security benefits are kept is little discussed on Capitol Hill. And even though the national Democratic Party has presented itself as the defender of Social Security, Remapping Debate discovered a profound unwillingness among most Democratic senators to identify their position on the issue.

A deeply regressive system

Currently the payroll tax only applies to income up to \$113,700. Any income above that amount is exempt from the tax. Senator Tom Harkin (D-Iowa), a supporter of eliminating the exemption, frames the impact of the cap starkly: "As it currently stands, payroll taxes apply to every dollar of earnings for a janitor making the minimum wage, but a professional athlete making \$1 million a year pays only payroll taxes on approximately one-tenth of their earnings."

Dean Baker, co-director of the Center for Economic and Policy Research, pointed out that the payroll tax is especially regressive not only because it applies only to wages and not to capital gains, dividends, or other forms of capital income (all of which overwhelmingly go to high-income people), but also because the cap on earned income subject to the tax means that the more money you earn the smaller percentage of total income you pay.

“Once you hit \$113,000 you’re paying in...roughly \$14,000...whether you’re right at \$113,000 or whether you’re at a million. Obviously it’s a much smaller share of the person earning a million’s income than the person earning \$113,000,” he said.

The impact of raising or eliminating the cap

Studies from the Social Security Administration have shown that a modification or elimination of the payroll tax cap would greatly increase the long-term solvency of the Social Security Trust fund.

Eliminating the exclusion from payroll tax of income above \$250,000 (without any change in current benefits) would insure the program’s solvency for [almost 50 years](#). Eliminating the exclusion entirely (without any change in current benefits) would insure solvency for [almost 65 years](#). Even if benefits were enhanced under a system where there was no payroll cap, (increasing benefits for those earning more than \$113,700, along with their increased contributions) there would be full solvency assured [until 2061](#).

Legislative proposals

There have been several proposals this congressional session to eliminate or adjust the cap. Senator Mark Begich (D-Alaska) proposed [a bill](#) in February (re-introduced from December 2012) that would phase out the payroll tax cap, as did [Sen. Harkin](#) in March. Sen. Begich’s bill is co-sponsored by Senator Mazie Hirono (D-Hawaii), while Sen. Harkin’s bill has no co-sponsors.

Also last month, Senator Bernie Sanders (I-Vt.) proposed [a bill](#) to apply the payroll tax to income above \$250,000. The legislation was patterned after a proposal President Obama made during his 2008 presidential campaign to lift the cap for income above

THE QUESTIONS MOST SENATORS DIDN’T WANT TO ANSWER

Here are the questions we emailed to the press offices of Democratic and Independent Senators who are not sponsoring or co-sponsoring a bill to modify the existing cap on income subject to payroll taxes:

1. Does the Senator dispute the studies showing the impact of a partial or full elimination of the cap on earnings subject to payroll tax? If so, what is the contrary evidence?
2. Does the Senator support any increase in the wages subject to payroll tax (in other words, any narrowing of the current exemption for all income above 114K)? If not, why not?
3. It’s been found that only the top 5.2 percent wealthiest Americans would pay more Social Security tax if the cap was eliminated entirely and only the top 1.3 percent would pay more if the cap was lifted for income over \$250,000. Does the Senator dispute these data? If so, what is the contrary evidence?
4. According to a 2012 National Academy of Social Insurance Survey, 68 percent of Americans support eliminating the payroll tax cap. Why does the Senator believe that the wishes of this large majority of Americans has been ignored?

\$250,000 (and is consistent with the President's 2008 pledge not to raise taxes on households with income less than \$250,000).

This bill is co-sponsored by Senators Richard Blumenthal (D-Conn.), Barbara Boxer (D-Calif.), Al Franken (D-Minn.), Amy Klobuchar (D-Minn.), Patrick Leahy (D-Vt.), Claire McCaskill (D-Mo.), Harry Reid (D-Nev.), Brian Schatz (D-Hawaii), and Sheldon Whitehouse (D-R.I.).

Canvassing the senators

In the period from March 19 to March 29, Remapping Debate reached out repeatedly, both through phone calls and email messages, to the remaining 42 Democratic and Independent senators who had co-sponsored neither Sen. Begich's nor Sen. Sander's bill, nor proposed their own bills to eliminate or modify the payroll tax cap.

After a few days of calling and emailing without receiving responses, we emailed a list of questions to the press offices of the relevant senators in order to maximize the opportunity for them to respond by our deadline (see "The questions most senators didn't want to answer").

We contacted each senator's press office repeatedly, in most cases at least six times. Most all either replied to the email but were unresponsive to the questions, refused to comment, claimed to be too busy, stopped responding after initial contact, or simply did not answer at all.

Few open supporters beyond the 10 co-sponsors

Senator Benjamin Cardin (D-Md.) told Remapping Debate that "I am in favor of using the changing of the cap to help deal with the long-term solvency of Social Security; I think it's a fair way to do it." The office of Senator Tammy Baldwin (D-Wis.) also indicated in an email that the Senator has supported the idea that those with income above \$250,000 pay into the system through the payroll tax.

Additionally, in an email, the office of Senator Sherrod Brown (D-Ohio) provided a statement that "Sen. Brown is strongly opposed to handing Social Security over to Wall Street or raising the retirement age or cutting benefit levels for seniors who have contributed to Social Security throughout their working years."

"Instead," the statement continued, "he believes that we can improve the solvency of Social Security by asking the wealthiest Americans to contribute to the program the same share of their income as the middle class."

The office of Senator Mark Warner (D-Va.) sent us [a February interview](#) during which Warner had supported raising the cap on Social Security (and also favored a phased increase in the retirement age). His press office confirmed by email that he supports both measures as a means of strengthening Social Security.

Dodging the question

An aide to Senator Tim Kaine (D-Va.) wrote that Kaine is “open” to raising the cap. Senator Frank Lautenberg’s (D-N.J.) office stated by email that Lautenberg is “considering” the “removal of the payroll tax exclusion for the highest-income earners.”

“Payroll taxes apply to every dollar of earnings for a janitor making the minimum wage, but a professional athlete making \$1 million a year pays only payroll taxes on approximately one-tenth of their earnings.”

— Sen. Tom Harkin

Senator Barbara Mikulski (D-Md.) restated in an email reply her opposition to raising the retirement age or reducing cost-of-living adjustments to social security benefits, but did not answer the question we posed (“Does the Senator support any increase in the wages subject to payroll tax: in other words, any narrowing of the current exemption for all income above 114K?”).

In 2011, Sen. Mikulski was [a co-sponsor](#) of a bill Sen. Sander’s proposed to apply the payroll tax to income over \$250,000. She did not co-sponsor his 2013 version of the bill. Remapping Debate emailed the Senator again after her initial reply, pointing out that our main question was whether the Senator wants to continue the payroll tax exclusion or if she supports raising or eliminating the cap, and asking if she had changed her view since co-sponsoring Sen. Sander’s 2011 bill. We received no answer.

Choosing not to comment

Four Senators explicitly declined through their press offices to answer our questions on the payroll tax cap.

Remapping Debate repeatedly called the press office of Senator Elizabeth Warren (D-Mass.). When we were able to get through and speak with a press representative, the response was that the representative would check to see if the office had any comment and get back to us. After not hearing back, Remapping Debate emailed our questions to the press office. When we called to follow up, a press representative told us the Senator did not have any comment.

As with Warren, Remapping Debate reached out five times through phone and email to the press office of Senator Chris Coons (D-Del.) before receiving an email saying, “I’m afraid we’re not going to be able to participate in this story, but thanks for reaching out to us.” We followed up by asking if an extended deadline would make it possible for them to participate and received no response.

The press secretary of Senator Mark Udall (D-Colo.) originally responded to Remapping Debate’s email request for an interview to say that the Senator was fully booked. We then asked if we could speak with a spokesperson instead or email our questions and received no response. We followed up with a voicemail and an emailed list of questions. We subsequently tried to reach out to the deputy communications director by leaving her a voicemail and emailing our list of questions. We received an email back asking if our deadline was close-of-business that day. We replied that we could accommodate a response on the following day. The deputy communications director wrote back to say she would see what she could do, after which she wrote that the office declined to respond.

While the press office of Senator Mary Landrieu (D-La.) originally said it might be able to schedule an interview, after we sent our list of questions, an email reply from Landrieu’s office informed us that “unfortunately” they would not be able to set up an interview. We responded to ask if it would be possible to get written answers to our questions and then followed up with an extended deadline. We also left two messages with the office. No one got back to us.

Too Busy?

Some press offices claimed that the Senator for whom they worked was too busy to speak. When Remapping Debate reached out to the press office of Senator Heidi Heitkamp (D-N.D.), for example, we were told that the Senator didn’t have any time, but if anything opened up, the press office would get back to us. When we followed up, we received an email that the Senator was voting all day and then spending the next two weeks in North Dakota. We replied to ask if it would be possible to get written responses to an emailed list of questions and received no response. We then sent our list of questions and received no response. We followed up with an extended deadline, but to no avail.

Remapping Debate reached out to Sen. Schumer’s national press secretary a total of six times, but never heard back from him directly. Another staffer at the press office informed us that the message would be passed along, but that 99 percent of the time media requests are not answered due to high volume.

Senator Chuck Schumer’s (D-N.Y.) press office also made it clear that we were unlikely to get answers to our questions. Remapping Debate reached out to Schumer’s national press secretary a total of six times, but never heard back from him directly. Another staffer at the press office informed us that the message would be passed along, but that 99 percent of the time media requests are not answered due to high volume.

Unlike Schumer’s press secretary, Senator Dianne Feinstein’s (D-Calif.) communications director did respond to our emailed list of questions by asking for the sources of our data. We replied by providing those sources, but received no response. We followed up over the phone, leaving two messages. The third time we called and were able to speak, the communications director said he would try to get something before our deadline, but wasn’t sure if it would be possible. We never heard back, despite following up the next day.

After leaving three voicemails and an email at Senator Tom Carper's (D-Del.) press office, we received a reply that due to the busy week, neither the Senator nor the press office would be able to speak. Remapping Debate replied with an emailed list of questions to see if it was possible to get a written response. We sent another email with our extended deadline and left a voicemail, but received no response.

The offices of Senators Dick Durbin (D-Ill.), Kay Hagan (N.C.), Angus King (I-Maine), and Carl Levin (D-Mich.) also indicated that their respective Senators were too busy to respond.

Thanks anyway

A few press offices at first seemed receptive to answering our questions. When Remapping Debate originally reached out to Senator Martin Heinrich's (D-N.M.) press office, for example, we were told that the office would try to respond to an emailed list of questions by the end of the week. When we followed up with a phone call, we were told that due to the budget vote, it would be impossible to respond that day (Friday), but to check in on Monday. When we called on Monday, we were thanked for checking in, but received no promise that the questions would be answered. The next day, Remapping Debate left a voicemail for the communications director at both her office and on her cellphone, but didn't hear back. We then followed up to inform the office of an extended deadline, but received no response.

Remapping Debate reached out to the press office of Senator Bill Nelson (D-Fla.) through phone calls and emails a total of seven times. The office first said it had passed our request along, would get back to us, and asked for our deadline. We followed up again with a phone call and were told that the office would get back to us. The office did not get back in touch, and we followed up by emailing our list of questions. The office once more responded that it would get back to us. The following day, Remapping Debate called the office and was told that it still didn't have anything for us and would get back in touch when it did. We followed up, offering a deadline extension, but received no response.

Initial contacts with the offices of Senators Bob Casey (D-Pa.), Joe Manchin (D-W.Va.), Robert Menendez (D-N.J.), Jay Rockefeller (D-W.Va.), Jon Tester (D-Mont.), and Ron Wyden (D-Ore.) ultimately did not yield an interview or any responses to questions.

Total silence

For the majority of Senators, when we left a message for the appropriate press person, that representative never replied. For example, we reached out to Senator Patty Murray's (D-Wash.) office six times, but no one got back to us. We left the press secretary for Senator Joe Donnelly (D-Ind.) five voicemails with no response. We then tried Donnelly's communications director through voicemail and email and did not receive a reply. We tried Senator Maria Cantwell's (D-Wash.) press office a total of eight times, and left voicemails for her communications director and deputy communications director, but neither returned our calls or emails.

Remapping Debate also never heard back from the press offices of Senators Max Baucus (D-Mont), Michael Bennet (D-Colo.), William Cowan (D-Mass.), Kirsten Gillibrand (D-N.Y.), Tim Johnson (D-S.D.), Jeff Merkley (D-Ore.), Christopher Murphy (D-Conn), Mark Pryor (D-Ark.), Jack Reed (D-R.I.), Jeanne Shaheen (D-N.H), Debbie Stabenow (D-Mich.), and Tom Udall (D-N.M.).

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