

## Timeline – Trump’s Payroll Tax Deferral and Elimination

Aug. 8: President Trump signs [executive memorandum](#) directing Treasury to defer certain employee payroll taxes for Sept. 1 - Dec. 31, 2020, while not changing the ultimate liability for those taxes.

Aug. 8: While signing the memorandum, Trump [says](#) he will also terminate payroll taxes if reelected: “If I’m victorious on November 3rd, I plan to forgive these taxes and make permanent cuts to the payroll tax. [...] I’ll extend it beyond the end of the year and terminate the tax.”

Aug. 10: Trump again [says](#) he plans to end Social Security payroll taxes: “After the election, on the assumption that it would be victorious [...], we will be ending that tax. We’ll be terminating that tax.”

Aug. 10: Trump [signals openness](#) to not even reimbursing Social Security’s trust funds from a future termination of payroll taxes: “... we’ll take it out until the end of the year, and then I’m going to make a decision as to, number one, an extension; and, number two, making it permanent and no reimbursement.”

Aug. 11: Trump yet again [says](#) he plans to end Social Security payroll taxes: “... sometime after the election, if we win, we’re going to make that permanent, the payroll tax holiday. The payroll tax will be rescinded.”

Aug. 12: Trump yet again [says](#) he plans to end Social Security’s payroll tax if reelected: “At the end of the year, the assumption that I win, I’m going to terminate the payroll tax. [...] We’ll be paying into Social Security through the general fund.”

Aug. 12: The U.S. Chamber of Commerce [writes](#) to Treasury expressing “serious concerns” about the temporary payroll tax deferral, including concerns around implementation, the lack of detailed guidance, and the substantial tax liability that will accrue for employers and employees.

Aug. 18: U.S. Chamber of Commerce and a coalition of 32 other large business associations [write](#) to Treasury and Congress expressing concern over the deferred tax bill that will accrue for affected employees, stating that “many of our members will likely decline” to participate in the deferral.

Aug. 21: Reps. Larson, Kennedy and 145 other House members [write](#) Trump to demand that he reverse his recent actions attempting to dismantle Social Security.

Aug. 24: Social Security’s Chief Actuary releases a non-partisan, objective [analysis](#) – in response to a [request](#) from Sens. Van Hollen, Schumer, Wyden, and Sanders – of the effects of permanently eliminating Social Security’s dedicated payroll tax. Doing so would make Social Security unable to pay any disability benefits beginning in 2021 and unable to pay any retirement or survivor benefits beginning in 2023.

Aug. 28: IRS [issues guidance](#) on the implementation of the deferral, two days before it the deferral period begins. The guidance specifies that all deferred taxes must be fully repaid by April 2021, and that both employers and employees will be liable for those amounts. Employers can recoup the deferred amounts by double-withholding from affected employees in early 2021, or by requiring them to pay the amounts in other ways.

Sept. 2: Reps. Beyer, Larson, and 15 other Democrats [write](#) to agency heads expressing serious concerns, and requesting further information, about how the temporary deferral and required repayment will affect federal employees.

Sept. 2: Sens. Schumer and Van Hollen [write](#) to GAO requesting a determination as to whether the IRS guidance constitutes a “rule” for the purposes of the Congressional Review Act.

Sept. 2: Administration officials [announce](#) that all federal employees will be required to participate in the deferral, with no ability to opt out.

Sept. 4: Administration officials [announce](#) that all members of the military will be required to participate in the deferral, with no ability to opt out. They will be required to repay the deferred amounts either in double-withholding from January through April 2021 or as a lump sum if their employment ends before April.

Sept. 4: Rep. Larson, along with 21 other House colleagues, [introduces](#) two bills to block Trump’s plan to defund Social Security:

- [H.R. 8171](#), the “Save our Social Security Now” Act, bars Treasury from implementing the payroll tax deferral, the first step in the President’s plan to end Social Security.
- [H.J.Res. 94](#) signals the intent to overturn Treasury’s guidance implementing the deferral under the Congressional Review Act (CRA), once GAO determines that the Treasury guidance is considered a ‘rule’ for CRA purposes.

Sept. 8: In response to a question if a payroll tax is on his second term agenda, [Trump responds](#): “We’re looking to do that second term, we’re looking to do something now if we can... we’re taking it from the general fund, we’re not taking it from Social Security...and we make up for it with the tremendous growth we’re going to experience.

Sept. 10: Trump [tweets](#): When we win I, as your President, will totally forgive ALL deferred payroll taxes with money from the General Fund. I will ALWAYS protect Seniors and your Social Security! Sleepy Joe Biden will do the opposite, he will raise your taxes and DESTROY our Country!

Sept 10: Trump campaign spokesperson [confirms](#) that Trump would like to make the payroll tax deferral permanent: “That’s why President Trump is calling for the payroll tax deferral to be made permanent and why Congress must pass legislation to ensure the men and women of this great nation can begin their road to recovery from this global pandemic.”