



Dems: Tax cut package will kill Social Security

By Michael M. Gleeson - 12/18/10 08:59 AM ET

Democratic critics of President Obama's tax cut package say it will lead to the end of Social Security.

Rep. Peter DeFazio (D-Ore.), who voted against the legislation, said on Thursday "this [vote] is the beginning of the end of Social Security."



"Next year, Republicans are going to want to continue to undermine Social Security, and we are not going to be in any position to borrow the money under whatever new rules the Republicans adopt to make it whole," he said.

Rep. Jim McDermott (D-Wash.) told The Hill the tax bill — which passed the lower chamber on Thursday night — is a "Trojan horse" designed to kill the Social Security program.

"My view is this is like the magician. He has got people looking at the estate tax. Meanwhile, he is putting his hand in your pocket and taking your Social Security," McDermott said.

In the tax bill the White House hailed on Friday as a "big win," workers will get a 2 percent tax break for one year on their payroll taxes — a tax that funds Social Security. The cut will leave Social Security with a \$112 billion short fall. To make up the difference, the government will need to borrow the money.

Proponents of the bill contend the payroll tax holiday will provide a significant boost to the economy.

In 2010, the Social Security program, which was created in 1935, paid out more in benefits than the program took in for the first time in the program's history. Stephen C. Goss, chief actuary of the Social Security Administration, told *The New York Times* that many eligible beneficiaries chose to start receiving benefits sooner than the administration projected. In addition, with fewer people receiving pay checks because of high unemployment, there is less revenue flowing into the program, Goss noted.

The bill's opponents fear that the tax break will be extended into 2012, a presidential election year.

"If the White House listened to this debate: No tax cut is permanent!" DeFazio said.

Tax cuts are a slippery slope, McDermott said. Once taxes go down and people get used to them, it is very hard to raise the levels back to where they previously were.

"Once you reduce the funding for Social Security, how do you get it back up?" McDermott said.

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