

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend title VI of the Social Security Act to remove the prohibition on States and territories against lowering their taxes.

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IN THE SENATE OF THE UNITED STATES

Mr. CRAPO (for himself, Mr. GRASSLEY, Mr. CORNYN, Mr. PORTMAN, Mr. SCOTT of South Carolina, Mr. LANKFORD, Mr. DAINES, Mr. YOUNG, and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend title VI of the Social Security Act to remove the prohibition on States and territories against lowering their taxes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Fiscal Flexibility  
5 Act of 2021”.

1 **SEC. 2. REMOVAL OF RESTRICTION OF USE OF**  
2 **CORONAVIRUS STATE FISCAL RECOVERY**  
3 **FUNDS.**

4 (a) IN GENERAL.—Paragraph (2) of section 602(c)  
5 of the Social Security Act, as added by section 9901 of  
6 the American Rescue Plan Act of 2021, is amended to  
7 read as follows:

8 “(2) FURTHER RESTRICTION ON USE OF  
9 FUNDS.—No State or territory may use funds made  
10 available under this section for deposit into any pen-  
11 sion fund.”.

12 (b) CONFORMING AMENDMENTS.—Section 602 of  
13 such Act is further amended—

14 (1) in subsection (d)(2)(A), by striking “, in-  
15 cluding, in the case of a State or a territory, all  
16 modifications to the State’s or territory’s tax rev-  
17 enue sources during the covered period”;

18 (2) in subsection (e), by striking “such sub-  
19 section,” and all that follows through the period and  
20 inserting “such subsection.”; and

21 (3) in subsection (g)—

22 (A) by striking paragraph (1); and

23 (B) by redesignating paragraphs (2)  
24 through (7) as paragraphs (1) through (6), re-  
25 spectively.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect as if included in the enact-  
3 ment of the American Rescue Plan Act of 2021.