

105TH CONGRESS
2D SESSION

H. R. 3102

To amend the Internal Revenue Code of 1986 to provide an inflation adjustment for the maximum amount which may be contributed to an individual retirement plan.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 1998

Mr. NEAL of Massachusetts introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide an inflation adjustment for the maximum amount which may be contributed to an individual retirement plan.

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. INFLATION ADJUSTMENT FOR DEDUCTIBLE**
4 **AMOUNT.**

5 (a) IN GENERAL.—Section 219 of the Internal Reve-
6 nue Code of 1986 (relating to retirement savings) is
7 amended by redesignating subsection (h) as subsection (i)
8 and by inserting after subsection (g) the following new
9 subsection:

1 “(h) COST-OF-LIVING ADJUSTMENTS.—In the case
 2 of any taxable year beginning in a calendar year after
 3 1998, the \$2,000 amount under subsection (b)(1)(A) shall
 4 be increased by an amount equal to—

5 “(1) \$2,000, multiplied by

6 “(2) the cost-of-living adjustment determined
 7 under section 1(f)(3) for the calendar year in which
 8 the taxable year begins, by substituting ‘calendar
 9 year 1997’ for ‘calendar year 1992’ in subparagraph
 10 (B) thereof.

11 If any increase determined under the preceding sentence
 12 is not a multiple of \$500, such increase shall be rounded
 13 to the next lowest multiple of \$500.”

14 (b) NO ADJUSTMENT IN LIMIT ON CONTRIBUTIONS
 15 TO ROTH IRAS.—Subparagraph (A) of section 408A(c)(2)
 16 of such Code is amended by striking “or (g)” and insert-
 17 ing “, (g), or (h)”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 408(a)(1) of such Code is amended
 20 by striking “in excess of \$2,000 on behalf of any in-
 21 dividual” and inserting “on behalf of any individual
 22 in excess of \$2,000 (or, in the case of a trust which
 23 is not a Roth IRA, the dollar amount in effect under
 24 section 219(b)(1)(A) for the taxable year)”.

1 (2) Section 408(b) of such Code is amended by
2 inserting “(or, in the case of a contract which is not
3 a Roth IRA, the dollar amount in effect under sec-
4 tion 219(b)(1)(A) for the taxable year)” after
5 “\$2,000” each place it appears.

6 (3) Section 408(j) of such Code is amended by
7 striking “the \$2,000 amounts” and inserting “the
8 dollar limitations”.

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