

105TH CONGRESS
2D SESSION

H. R. 3979

To amend the Internal Revenue Code of 1986 to allow certain individuals a credit against income tax for contributions to individual retirement accounts.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1998

Mr. POMEROY 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 allow certain individuals a credit against income tax for contributions to individual retirement accounts.

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 “Family Retirement
5 Savings Act of 1998”.

6 **SEC. 2. CREDIT FOR CONTRIBUTIONS BY CERTAIN INDIVID-**
7 **UALS TO INDIVIDUAL RETIREMENT AC-**
8 **COUNTS.**

9 (a) IN GENERAL.—Subpart A of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to nonrefundable personal credits) is
 2 amended by inserting after section 25A the following new
 3 section:

4 **“SEC. 25B. RETIREMENT SAVINGS.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
 6 dividual, there shall be allowed as a credit against the tax
 7 imposed by this chapter for the taxable year an amount
 8 equal to 50 percent of the amount which would (but for
 9 subsection (c)) be allowed as a deduction under section
 10 219 for such taxable year.

11 “(b) LIMITATION BASED ON ADJUSTED GROSS
 12 INCOME.—

13 “(1) IN GENERAL.—The amount of the credit
 14 which would (but for this subsection) be allowed
 15 under subsection (a) for the taxable year shall be re-
 16 duced (but not below zero) by an amount which
 17 bears the same ratio to such amount of credit as—

18 “(A) the excess of—

19 “(i) the taxpayer’s adjusted gross in-
 20 come for such taxable year, over

21 “(ii) the applicable dollar amount,
 22 bears to

23 “(B) \$10,000.

1 “(2) ROUNDING.—Any amount determined
2 under this subsection which is not a multiple of \$10
3 shall be rounded to the next lowest \$10.

4 “(3) APPLICABLE DOLLAR AMOUNT.—For pur-
5 poses of this subsection, the term ‘applicable dollar
6 amount’ means—

7 “(A) in the case of a taxpayer filing a joint
8 return, \$45,000,

9 “(B) in the case of any other taxpayer
10 (other than a married individual filing a sepa-
11 rate return), \$25,000, and

12 “(C) in the case of a married individual fil-
13 ing a separate return, zero.

14 The rule of section 219(g)(4) shall apply for pur-
15 poses of this paragraph.

16 “(c) COORDINATION WITH DEDUCTION.—No deduc-
17 tion shall be allowed under section 219 for amount paid
18 by or on behalf of an individual for any taxable year if
19 any such amount (with respect to such individual) is taken
20 into account in determining the credit under this section
21 for such year.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for such subpart A is amended by inserting after the item
24 relating to section 25A the following new item:

 “Sec. 25B. Retirement savings.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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