

106TH CONGRESS
1ST SESSION

H. R. 1593

To amend the Internal Revenue Code of 1986 to modify the exemption from the self-employment tax for certain termination payments received by former life insurance salesmen.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1999

Mr. WELLER (for himself, Mr. KLECZKA, Mr. MCCRERY, Mr. NEAL of Massachusetts, Mr. RAMSTAD, and Ms. BALDWIN) 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 modify the exemption from the self-employment tax for certain termination payments received by former life insurance salesmen.

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 “Former Insurance
5 Agents Tax Equity Act of 1999”.

1 **SEC. 2. MODIFICATION OF EXEMPTION FROM SELF-EM-**
2 **PLOYMENT TAX FOR CERTAIN TERMINATION**
3 **PAYMENTS RECEIVED BY FORMER INSUR-**
4 **ANCE SALESMEN.**

5 (a) INTERNAL REVENUE CODE.—Paragraph (4) of
6 section 1402(k) of the Internal Revenue Code of 1986 (re-
7 lating to codification of treatment of certain termination
8 payments received by former insurance salesmen) is
9 amended to read as follows:

10 “(4) the amount of such payment depends pri-
11 marily on policies sold by or credited to the account
12 of such individual or the extent to which such poli-
13 cies remain in force for some period after such ter-
14 mination, or both.”.

15 (b) SOCIAL SECURITY ACT.—Paragraph (4) of sec-
16 tion 211(j) of the Social Security Act is amended to read
17 as follows:

18 “(4) the amount of such payment depends pri-
19 marily on policies sold by or credited to the account
20 of such individual or the extent to which such poli-
21 cies remain in force for some period after such ter-
22 mination, or both.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to payments after December 31,
25 1999.