

107TH CONGRESS
2D SESSION

H. R. 3898

To provide for qualified withdrawals from the Capital Construction Fund for fishermen leaving the industry and for the rollover of Capital Construction Funds to individual retirement plans.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2002

Mrs. CAPPS (for herself, Ms. HOOLEY of Oregon, Mr. DEFazio, Mr. WU, and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Armed Services, for a period of time to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for qualified withdrawals from the Capital Construction Fund for fishermen leaving the industry and for the rollover of Capital Construction Funds to individual retirement plans.

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 “Capital Construction
5 Fund Qualified Withdrawal Act of 2002”.

1 **SEC. 2. AMENDMENT OF THE MERCHANT MARINE ACT OF**
2 **1936 TO ENCOURAGE RETIREMENT OF CER-**
3 **TAIN FISHING VESSELS AND PERMITS.**

4 (a) IN GENERAL.—Section 607(a) of the Merchant
5 Marine Act, 1936 (46 U.S.C. App. 1177(a)) is amended
6 by adding at the end the following: “Any agreement en-
7 tered into under this section may be modified for the pur-
8 pose of encouraging the sustainability of the fisheries of
9 the United States by making the termination and with-
10 drawal of a capital construction fund a qualified with-
11 drawal if done in exchange for the retirement of the re-
12 lated commercial fishing vessels and related commercial
13 fishing permits.”.

14 (b) NEW QUALIFIED WITHDRAWALS.—

15 (1) AMENDMENTS TO MERCHANT MARINE ACT,
16 1936.—Section 607(f)(1) of the Merchant Marine
17 Act, 1936 (46 U.S.C. App. 1177(f)(1)) is
18 amended—

19 (A) by striking “for:” and inserting
20 “for—”;

21 (B) by striking “vessel” in subparagraph
22 (A) and inserting “vessel;”;

23 (C) by striking “vessel, or” in subpara-
24 graph (B) and inserting “vessel;”;

25 (D) by striking “vessel.” in subparagraph
26 (C) and inserting “vessel;” and

1 (E) by inserting after subparagraph (C)
2 the following:

3 “(D) the payment of an industry fee au-
4 thorized by the fishing capacity reduction pro-
5 gram under section 312(b) of the Magnuson-
6 Stevens Fishery Conservation and Management
7 Act (16 U.S.C. 1861a(b));

8 “(E) in the case of any such person or
9 shareholder for whose benefit such fund was es-
10 tablished or any shareholder of such person, a
11 rollover contribution (within the meaning of
12 section 408(d)(3) of the Internal Revenue Code
13 of 1986) to such person’s or shareholder’s indi-
14 vidual retirement plan (as defined in section
15 7701(a)(37) of such Code); or

16 “(F) the payment to a person or corpora-
17 tion terminating a capital construction fund for
18 whose benefit the fund was established and re-
19 tiring related commercial fishing vessels and
20 permits.”.

21 (2) SECRETARY TO ENSURE RETIREMENT OF
22 VESSELS AND PERMITS.—The Secretary of Com-
23 merce by regulation shall establish procedures to en-
24 sure that any person making a qualified withdrawal
25 authorized by section 607(f)(1)(F) of the Merchant

1 Marine Act, 1936 (46 U.S.C. App. 1177(f)(1)(F))
2 retires the related commercial use of fishing vessels
3 and commercial fishery permits.

4 (c) CONFORMING AMENDMENTS.—

5 (1) IN GENERAL.—Section 7518(e)(1) of the
6 Internal Revenue Code of 1986 (relating to purposes
7 of qualified withdrawals) is amended—

8 (A) by striking “for:” and inserting
9 “for—”;

10 (B) by striking “vessel, or” in subpara-
11 graph (B) and inserting “vessel;”;

12 (C) by striking “vessel.” in subparagraph
13 (C) and inserting “vessel;”;

14 (D) by inserting after subparagraph (C)
15 the following:

16 “(D) the payment of an industry fee au-
17 thorized by the fishing capacity reduction pro-
18 gram under section 312 of the Magnuson-Ste-
19 vens Fishery Conservation and Management
20 Act (16 U.S.C. 1861a);

21 “(E) in the case of any person or share-
22 holder for whose benefit such fund was estab-
23 lished or any shareholder of such person, a roll-
24 over contribution (within the meaning of section
25 408(d)(3)) to such person’s or shareholder’s in-

1 dividual retirement plan (as defined in section
2 7701(a)(37)); or

3 “(F) the payment to a person terminating
4 a capital construction fund for whose benefit
5 the fund was established and retiring related
6 commercial fishing vessels and permits.”.

7 (2) SECRETARY TO ENSURE RETIREMENT OF
8 VESSELS AND PERMITS.—The Secretary of the
9 Treasury by regulation shall establish procedures to
10 ensure that any person making a qualified with-
11 drawal authorized by section 7518(e)(1)(F) of the
12 Internal Revenue Code of 1986 retires the related
13 commercial use of fishing vessels and commercial
14 fishery permits referred to therein.

15 **SEC. 3. EFFECTIVE DATE.**

16 The amendments made by this Act shall apply to
17 withdrawals made after the date of enactment of this Act.

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