

107TH CONGRESS
1ST SESSION

H. R. 924

To amend the Internal Revenue Code of 1986 to exclude from gross income certain stipends paid as part of a State program under which individuals who have attained age 60 perform essentially volunteer services specified by the program.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2001

Mr. NEAL of Massachusetts (for himself, Mr. TIERNEY, Mr. MCGOVERN, Mr. CAPUANO, and Mr. MARKEY) 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 exclude from gross income certain stipends paid as part of a State program under which individuals who have attained age 60 perform essentially volunteer services specified by the program.

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

1 **SECTION 1. EXCLUSION FROM GROSS INCOME FOR STI-**
 2 **PENDS RECEIVED FOR ESSENTIALLY VOLUN-**
 3 **TEER SERVICES PERFORMED UNDER A**
 4 **STATE PROGRAM.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
 6 ter 1 of the Internal Revenue Code of 1986 (relating to
 7 items specifically excluded from gross income) is amended
 8 by inserting after section 138 the following new section:

9 **“SEC. 138A. CERTAIN STIPENDS RECEIVED UNDER STATE**
 10 **PROGRAMS BY INDIVIDUALS WHO HAVE AT-**
 11 **TAINED AGE 60.**

12 “(a) IN GENERAL.—Gross income shall not include
 13 amounts received by an individual who has attained age
 14 60 from a qualified State program for services performed
 15 under such program.

16 “(b) QUALIFIED STATE PROGRAM.—For purposes of
 17 this section, the term ‘qualified State program’ means any
 18 program established by State law if—

19 “(1) the program consists of assigning individ-
 20 uals who have attained age 60 to perform volunteer
 21 services for nonprofit and nonsectarian entities,

22 “(2) the individuals participating in the pro-
 23 gram must commit to performing volunteer services
 24 under the program for at least 48 hours a month,

25 “(3) the individuals receive no compensation
 26 other than from such program for such services,

1 “(4) State law limits the maximum compensa-
 2 tion that an individual may receive under the pro-
 3 gram to the earnings limitation under section 203 of
 4 the Social Security Act, and

5 “(5) substantially all of the funds for such pro-
 6 gram are provided by the State.

7 “(c) DENIAL OF CERTAIN DEDUCTIONS.—Unless the
 8 taxpayer elects not to have this section apply for any tax-
 9 able year, no deduction shall be allowed under this chapter
 10 for any amount which is otherwise allowable as a deduc-
 11 tion by reason of performing services under a qualified
 12 State program.”

13 (b) EXCLUSION FROM EMPLOYMENT TAXES.—

14 (1)(A) Paragraph (18) of section 3121(a) of
 15 such Code is amended by striking “or 129” and in-
 16 serting “, 129, or 138A”.

17 (B) Paragraph (15) of section 209(a) of the So-
 18 cial Security Act is amended by striking “or 129”
 19 and inserting “, 129, or 138A”.

20 (2) Paragraph (13) of section 3306(b) of such
 21 Code is amended by striking “or 129” and inserting
 22 “, 129, or 138A”.

23 (3) Paragraph (18) of section 3401(a) of such
 24 Code is amended by striking “or 129” and inserting
 25 “, 129, or 138A”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for part III of subchapter B of chapter 1 of such Code
3 is amended by inserting after the item relating to section
4 138 the following new item:

“Sec. 138A. Certain stipends received under State programs by
individuals who have attained age 60.”

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2001.

○