

107TH CONGRESS  
2D SESSION

# S. 1962

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.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 15, 2002

Mr. WYDEN (for himself, Mrs. MURRAY, and Mr. SMITH of Oregon) introduced the following bill; which was read twice and referred to the Committee on Finance

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## 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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