

109TH CONGRESS  
1ST SESSION

# H. R. 1305

To amend the Internal Revenue Code of 1986 to make permanent and refundable, and to expand, the saver's credit.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2005

Mr. EMANUEL (for himself, Mr. BECERRA, Mr. LARSON of Connecticut, Mr. McDERMOTT, Mr. MEEKS of New York, and Mr. ABERCROMBIE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent and refundable, and to expand, the saver's credit.

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 “Retirement Savings  
5 for Working Americans Act”.

6 **SEC. 2. EXPANDED, PERMANENT, AND REFUNDABLE SAV-**  
7 **ER’S CREDIT.**

8 (a) CREDIT MADE REFUNDABLE.—The Internal  
9 Revenue Code of 1986 is amended by redesignating sec-

tion 36 as section 37, by redesignating section 25B as section 36, and by moving section 36 (as so redesignated) from subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) to immediately after section 35 in subpart C of such part (relating to refundable credits).

(b) EXPANSION OF PHASEOUT RANGES.—Subsection (b) of section 36 of such Code (as redesignated under this section) is amended to read as follows:

“(b) APPLICABLE PERCENTAGE.—For purposes of this section—

“(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is 50 percent.

“(2) PHASEOUT.—With respect to any taxpayer for any taxable year, the applicable percentage shall be reduced (but not below zero) by the percentage which bears the same ratio to 50 percent as—

“(A) the excess of—

“(i) the taxpayer’s adjusted gross income for such taxable year, over

“(ii) the applicable dollar amount, bears to

“(B) the phaseout range.

1 If any reduction under this paragraph is not a mul-  
 2 tiple of 1 percent, such reduction shall be rounded  
 3 to the nearest multiple of 1 percent.

4 “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT  
 5 RANGE.—The applicable dollar amount and the  
 6 phaseout range shall be determined in accordance  
 7 with the following table:

| “In the case of:            | The applicable dollar<br>amount is: | The phaseout<br>range is: |
|-----------------------------|-------------------------------------|---------------------------|
| A joint return .....        | \$60,000                            | \$10,000                  |
| A head of a household ..... | \$45,000                            | \$7,500                   |
| Any other case .....        | \$30,000                            | \$5,000”.                 |

8 (c) CREDIT MADE PERMANENT.—Section 36 of such  
 9 Code (as redesignated under this section) is amended by  
 10 striking subsection (h).

11 (d) CONFORMING AMENDMENTS.—

12 (1) Section 24(b)(3)(B) of such Code is amend-  
 13 ed by striking “and 25B”.

14 (2) Section 25(e)(1)(C) of such Code is amend-  
 15 ed by striking “25B,”.

16 (3) Sections 26(a)(1), 904(i), and 1400C(d) of  
 17 such Code are each amended by striking “24, and  
 18 25B” and inserting “and 24”.

19 (4) The heading of section 36 of such Code (as  
 20 redesignated under this section) is amended by strik-  
 21 ing “**ELECTIVE**” and inserting “**SAVER’S CREDIT:**  
 22 **ELECTIVE**”.

1           (5) Section 36 of such Code (as so redesign-  
2           nated) is amended by striking subsection (g).

3           (6) The table of sections for subpart A of part  
4           IV of subchapter A of chapter 1 of such Code is  
5           amended by striking the item relating to section  
6           25B.

7           (7) The table of sections for subpart C of such  
8           part is amended by redesignating the item relating  
9           to section 36 as an item relating to section 37 and  
10          by inserting before such item the following new item:

          “Sec. 36. Saver’s credit: elective deferrals and IRA contributions by certain in-  
  dividuals.”.

11          (8) Section 1324(b)(2) of title 31, United  
12          States Code, is amended by inserting “or 36” after  
13          “section 35”.

14          (e) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to taxable years beginning after  
16          December 31, 2005.

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