

110TH CONGRESS
1ST SESSION

H. R. 2724

To amend the Internal Revenue Code of 1986 to modify the saver's credit.

IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2007

Mr. EMANUEL (for himself and Mr. RAMSTAD) 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 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. MODIFICATION OF SAVER'S CREDIT.**

7 (a) FULL CREDIT AMOUNT MADE AS PAYMENT INTO
8 RETIREMENT ACCOUNTS.—The Internal Revenue Code of
9 1986 is amended—

10 (1) by redesignating section 25B as section
11 30D, and by moving section 30D (as so redesi-

1 nated) from subpart A of part IV of subchapter A
2 of chapter 1 (relating to nonrefundable personal
3 credits) to immediately after section 30C in subpart
4 B of such part (relating to other credits), and

5 (2) by amending subsection (g) of section 30D
6 (as so redesignated) to read as follows:

7 “(g) CREDIT PAYABLE ONLY INTO RETIREMENT AC-
8 COUNT.—

9 “(1) IN GENERAL.—The Secretary of the
10 Treasury shall pay into the designated retirement
11 account of the taxpayer an amount equal to the
12 credit determined under subsection (a) for the tax-
13 able year.

14 “(2) DESIGNATED RETIREMENT ACCOUNT.—
15 For purposes of this subsection, the term ‘des-
16 ignated retirement account’ means any account or
17 plan—

18 “(A) with respect to which qualified retire-
19 ment savings contributions of the taxpayer are
20 taken into account under subsection (a) for the
21 taxable year,

22 “(B) which is designated by the taxpayer
23 (in such form and manner as the Secretary may
24 provide) on the return of tax for the taxable
25 year, and

1 “(C) which, under the terms of the account
2 or plan, accepts the payment described in para-
3 graph (1).

4 “(3) NO DOUBLE BENEFIT.—The credit deter-
5 mined under subsection (a) shall not be allowed as
6 a credit against any tax imposed by this title.”.

7 (b) EXPANSION OF PHASEOUT RANGES.—Subsection
8 (b) of section 30D of such Code, as redesignated by this
9 section, is amended to read as follows:

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

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (2), the applicable percentage is 50 percent.

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

18 “(A) the excess of—

19 “(i) the taxpayer’s adjusted gross in-
20 come for such taxable year, over

21 “(ii) the applicable dollar amount,
22 bears to

23 “(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 amount is:	The phaseout 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) TAX-PREFERRED EDUCATION SAVINGS TREATED
 9 AS RETIREMENT SAVINGS.—Subsection (d) of section
 10 30D of such Code, as redesignated by this section, is
 11 amended by adding at the end the following new para-
 12 graph:

13 “(3) EDUCATION SAVINGS ACCOUNT CONTRIBU-
 14 TIONS TREATED AS RETIREMENT SAVINGS.—
 15 Amounts contributed to qualified tuition programs
 16 under section 529 and amounts contributed to
 17 Coverdell education savings accounts under section
 18 530 shall be treated as qualified retirement savings
 19 contributions (subject to any reduction under para-
 20 graph (2)).”.

21 (d) LIMITATION ON RETIREMENT CONTRIBUTIONS
 22 TAKEN INTO ACCOUNT INDEXED FOR INFLATION.—Sec-

1 tion 30D of such Code, as redesignated by this section,
2 is amended by adding at the end the following new sub-
3 section:

4 “(h) INFLATION ADJUSTMENT.—In the case of any
5 taxable year beginning in a calendar year after 2007, the
6 dollar amounts in subsection (a) shall be increased by an
7 amount equal to—

8 “(1) such dollar amount, multiplied by

9 “(2) the cost-of-living adjustment determined
10 under section 1(f)(3) for the calendar year in which
11 the taxable year begins, determined by substituting
12 ‘2006’ for ‘1992’ in subparagraph (B) thereof.

13 Any increase determined under the preceding sentence
14 shall be rounded to the nearest multiple of \$100.”.

15 (e) CONFORMING AMENDMENTS.—

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

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

20 (3) Sections 26(a)(1), 904(i), and 1400C(d) of
21 such Code are each amended by striking “24, and
22 25B” and inserting “and 24”.

23 (4) The heading of section 30D of such Code,
24 as redesignated by this section, is amended to read
25 as follows:

1 **“SEC. 30D. SAVER’S CREDIT.”.**

2 (5) Section 30D(a) of such Code, as so redesignig-
3 nated, is amended by striking “there shall be al-
4 lowed as a credit against the tax imposed by this
5 subtitle for the taxable year” and inserting “the
6 credit determined under this subsection for the tax-
7 able year is”.

8 (6) The table of sections for subpart A of part
9 IV of subchapter A of chapter 1 of such Code is
10 amended by striking the item relating to section
11 25B.

12 (7) The table of sections for subpart B of such
13 part is amended by adding at the end the following
14 new item:

“Sec. 30D. Saver’s credit.”.

15 (8) Section 1324(b)(2) of title 31, United
16 States Code, is amended by inserting “or 30D” after
17 “section 35”.

18 (f) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2007.

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