

111TH CONGRESS  
2D SESSION

# S. 3090

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

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IN THE SENATE OF THE UNITED STATES

MARCH 9, 2010

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

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

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. MODIFICATION OF SAVER'S CREDIT.**

4 (a) 50 PERCENT CREDIT FOR ALL TAXPAYERS: EX-  
5 PANSION OF PHASEOUT RANGES.—Subsection (b) of sec-  
6 tion 25B of the Internal Revenue Code of 1986 is amend-  
7 ed to read as follows:

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

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

3           “(2) PHASEOUT.—The percentage under para-  
4           graph (1) shall be reduced (but not below zero) by  
5           the number of percentage points which bears the  
6           same ratio to 50 percentage points as—

7                   “(A) the excess of—

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

10                           “(ii) the applicable dollar amount,  
11                           bears to

12                   “(B) the phaseout range.

13           If any reduction determined under this paragraph is  
14           not a whole percentage point, such reduction shall be  
15           rounded to the nearest whole percentage point.

16           “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT  
17           RANGE.—

18                   “(A) JOINT RETURNS.—Except as pro-  
19                   vided in subparagraph (B)—

20                           “(i) the applicable dollar amount is  
21                           \$65,000, and

22                           “(ii) the phaseout range is \$20,000.

23                   “(B) OTHER RETURNS.—In the case of—

24                           “(i) a head of a household (as defined  
25                           in section 2(b)), the applicable dollar

1 amount and the phaseout range shall be  $\frac{3}{4}$   
 2 of the amounts applicable under subpara-  
 3 graph (A) (as adjusted under paragraph  
 4 (4)), and

5 “(ii) any taxpayer who is not filing a  
 6 joint return and who is not a head of a  
 7 household (as so defined), the applicable  
 8 dollar amount and the phaseout range  
 9 shall be  $\frac{1}{2}$  of the amounts applicable  
 10 under subparagraph (A) (as so adjusted).

11 “(4) INFLATION ADJUSTMENT OF APPLICABLE  
 12 DOLLAR AMOUNT.—In the case of any taxable year  
 13 beginning in a calendar year after 2011, the dollar  
 14 amount in paragraph (3)(A)(i) shall be increased by  
 15 an amount equal to—

16 “(A) such dollar amount, multiplied by

17 “(B) the cost-of-living adjustment deter-  
 18 mined under section 1(f)(3) for the calendar  
 19 year in which the taxable year begins, deter-  
 20 mined by substituting ‘calendar year 2010’ for  
 21 ‘calendar year 1992’ in subparagraph (B)  
 22 thereof.

23 Any increase determined under the preceding sen-  
 24 tence shall be rounded to the nearest multiple of  
 25 \$500.”.

1 (b) CREDIT MADE REFUNDABLE.—

2 (1) CREDIT MADE REFUNDABLE.—The Internal  
3 Revenue Code of 1986 is amended by moving section  
4 25B to subpart C of part IV of subchapter A of  
5 chapter 1 of such Code (relating to refundable cred-  
6 its), by inserting section 25B after section 36A, and  
7 by redesignating section 25B as section 36B.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Sections 24(b)(3)(B), 25(e)(1)(C),  
10 26(a)(1), and 1400C(d) of such Code are each  
11 amended by striking “25B,”.

12 (B) The last sentence of section 25A(i)(5)  
13 of such Code is amended by striking “25B” and  
14 inserting “36B”.

15 (C) Sections 904(i) of such Code is amend-  
16 ed by striking “23, 24, and 25B,” and inserting  
17 “23 and 24”.

18 (D) Section 6211(b)(4)(A) of such Code is  
19 amended by inserting “36B,” after “36A,”.

20 (E) The table of sections for subpart A of  
21 part IV of subchapter A of chapter 1 of such  
22 Code is amended by striking the item relating  
23 to section 25B.

1 (F) The table of sections for subpart C of  
 2 such part is amended by adding at the end the  
 3 following new item:

“Sec. 36B. Elective deferrals and IRA contributions by certain individuals.”.

4 (G) Section 1324(b)(2) of title 31, United  
 5 States Code, is amended by inserting “36B,”  
 6 after “36A,”.

7 (c) MAXIMUM CONTRIBUTIONS.—Subsection (a) of  
 8 section 36B of the Internal Revenue Code of 1986, as re-  
 9 designated by subsection (b)(1), is amended to read as fol-  
 10 lows:

11 “(a) ALLOWANCE OF CREDIT.—

12 “(1) IN GENERAL.—In the case of an eligible  
 13 individual, there shall be allowed as a credit against  
 14 the tax imposed by this subtitle for the taxable year  
 15 an amount equal to the applicable percentage of so  
 16 much of the qualified retirement savings contribu-  
 17 tions of the eligible individual for the taxable year as  
 18 do not exceed the contribution limit.

19 “(2) CONTRIBUTION LIMIT.—For purposes of  
 20 paragraph (1)—

21 “(A) IN GENERAL.—Except as otherwise  
 22 provided in this paragraph, the contribution  
 23 limit is \$500 (\$1,500 for taxable years begin-  
 24 ning after 2021).

1           “(B) ANNUAL INCREASES TO REACH  
 2           \$1,500.—In the case of taxable years beginning  
 3           in a calendar year after 2011 and before 2022,  
 4           the contribution limit shall be the sum of—

5                   “(i) the contribution limit for taxable  
 6                   years beginning in the preceding calendar  
 7                   year (as increased under this subpara-  
 8                   graph), and

9                   “(ii) \$100.

10           “(C) INFLATION ADJUSTMENT.—In the  
 11           case of any taxable year beginning in a calendar  
 12           year after 2021, the \$1,500 amount in subpara-  
 13           graph (A) shall be increased by an amount  
 14           equal to—

15                   “(i) such dollar amount, multiplied by

16                   “(ii) the cost-of-living adjustment de-  
 17                   termined under section 1(f)(3) for the cal-  
 18                   endar year in which the taxable year be-  
 19                   gins, determined by substituting ‘calendar  
 20                   year 2020’ for ‘calendar year 1992’ in sub-  
 21                   paragraph (B) thereof.

22           Any increase determined under the preceding  
 23           sentence shall be rounded to the nearest mul-  
 24           tiple of \$50.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2010.

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