

105TH CONGRESS
2D SESSION

H. R. 3225

To amend the Internal Revenue Code of 1986 to increase the limits on the amount of nondeductible contributions to individual retirement plans.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1998

Mr. GALLEGLY 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 increase the limits on the amount of nondeductible contributions 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 “Small Savers Retire-
5 ment Enhancement Act of 1998”.

6 **SEC. 2. INCREASE IN CONTRIBUTION LIMITS FOR INDIVID-**
7 **UAL RETIREMENT ACCOUNTS.**

8 (a) IN GENERAL.—Section 408 of the Internal Reve-
9 nue Code of 1986 (relating to individual retirement ac-
10 counts) is amended—

1 (1) in subsection (a)(1) by striking “\$2,000”
2 and inserting “\$5,000”,

3 (2) in subsection (b) by striking “\$2,000” both
4 places it appears and inserting “\$5,000”, and

5 (3) in subsection (j) by striking “\$2,000” and
6 inserting “\$5,000”.

7 (b) DESIGNATED NONDEDUCTIBLE CONTRIBU-
8 TIONS.—Clause (i) of section 408(o)(2)(B) of such Code
9 (relating to limitation on nondeductible contributions) is
10 amended by adding at the end the following flush sen-
11 tence: “For purposes of the preceding sentence, section
12 219(b)(1)(A) shall be applied by substituting ‘\$5,000’ for
13 ‘\$2,000’.”

14 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

15 (1) Section 219 of such Code (relating to retire-
16 ment savings) is amended—

17 (A) in subsection (c)(1) by adding at the
18 end the following flush sentence: “For purposes
19 of the preceding sentence, subsection (b)(1)(A)
20 shall be applied by substituting ‘\$5,000’ for
21 ‘\$2,000’.”, and

22 (B) in subsection (g)(1) by adding at the
23 end the following new sentence: “For purposes
24 of the preceding sentence, subsections (b)(1)(A)

1 and (c)(1)(A) shall be applied by substituting
2 ‘\$5,000’ for ‘\$2,000’.”

3 (2) Section 408A(c)(2) of such Code (relating
4 to contribution limit for Roth IRA) is amended by
5 adding at the end the following flush sentence: “For
6 purposes of the preceding sentence, section
7 219(b)(1)(A) shall be applied by substituting
8 ‘\$5,000’ for ‘\$2,000’.”

9 (3) Section 4973(b) of such Code (relating to
10 tax on excess contributions) is amended by adding at
11 the end the following flush sentence: “For purposes
12 of paragraph (1)(B), section 219(b)(1)(A) shall be
13 applied by substituting ‘\$5,000’ for ‘\$2,000’.”

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

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