

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.

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

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-

1 tion 36 as section 37, by redesignating section 25B as sec-
2 tion 36, and by moving section 36 (as so redesignated)
3 from subpart A of part IV of subchapter A of chapter 1
4 (relating to nonrefundable personal credits) to imme-
5 diately after section 35 in subpart C of such part (relating
6 to refundable credits).

7 (b) EXPANSION OF PHASEOUT RANGES.—Subsection
8 (b) of section 36 of such Code (as redesignated under 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) 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 redesignated) is amended by striking subsection (g).

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

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

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10 “Sec. 36. Saver’s credit: elective deferrals and IRA contributions by certain individuals.”.

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

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

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