

113TH CONGRESS
1ST SESSION

H. R. 837

To amend the Internal Revenue Code of 1986 to expand the availability of the saver's credit, to make the credit refundable, and to make Federal matching contributions into the retirement savings of the taxpayer.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2013

Mr. NEAL (for himself, Mr. LEWIS, Mr. KIND, and Mr. ELLISON) 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 expand the availability of the saver's credit, to make the credit refundable, and to make Federal matching contributions into the retirement savings of the taxpayer.

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 "Savings for American
5 Families' Future Act of 2013".

6 **SEC. 2. MODIFICATION OF SAVER'S CREDIT.**

7 (a) 50 PERCENT CREDIT FOR ALL TAXPAYERS: EX-
8 PANSION OF PHASEOUT RANGES.—Subsection (b) of sec-

1 tion 25B of the Internal Revenue Code of 1986 is amend-
2 ed to read as follows:

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

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

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

11 “(A) the excess of—

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

14 “(ii) the applicable dollar amount,
15 bears to

16 “(B) the phaseout range.

17 If any reduction determined under this paragraph is
18 not a whole percentage point, such reduction shall be
19 rounded to the nearest whole percentage point.

20 “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT
21 RANGE.—

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

24 “(i) the applicable dollar amount is
25 \$65,000, and

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

2 “(B) OTHER RETURNS.—In the case of—

3 “(i) a head of a household (as defined
4 in section 2(b)), the applicable dollar
5 amount and the phaseout range shall be $\frac{3}{4}$
6 of the amounts applicable under subpara-
7 graph (A) (as adjusted under paragraph
8 (4)), and

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

15 “(4) INFLATION ADJUSTMENT OF APPLICABLE
16 DOLLAR AMOUNT.—In the case of any taxable year
17 beginning in a calendar year after 2014, the dollar
18 amount in paragraph (3)(A)(i) shall be increased by
19 an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘calendar year 2013’ for

1 ‘calendar year 1992’ in subparagraph (B)
2 thereof.

3 Any increase determined under the preceding sen-
4 tence shall be rounded to the nearest multiple of
5 \$500.”.

6 (b) CREDIT MADE REFUNDABLE; MATCHING CON-
7 TRIBUTIONS.—

8 (1) CREDIT MADE REFUNDABLE.—The Internal
9 Revenue Code of 1986 is amended by moving section
10 25B to subpart C of part IV of subchapter A of
11 chapter 1 of such Code (relating to refundable cred-
12 its), by inserting section 25B after section 36B, and
13 by redesignating section 25B as section 36C.

14 (2) MATCHING CONTRIBUTIONS.—Section 36C
15 of such Code, as redesignated by paragraph (1), is
16 amended by adding at the end the following:

17 “(g) MATCHING CONTRIBUTIONS.—

18 “(1) IN GENERAL.—The credit allowed to an el-
19 igible individual under this section for any taxable
20 year shall be twice the credit which would (but for
21 this subsection) be allowed if—

22 “(A) the individual consents to the applica-
23 tion of paragraph (2), and

24 “(B) a designation by such individual is in
25 effect for such year under paragraph (3).

1 “(2) CREDIT PAID INTO DESIGNATED RETIRE-
2 MENT ACCOUNT.—Any credit under this section for
3 any taxable year shall be paid by the Secretary into
4 the designated retirement account of the individual
5 for such year. The amount payable under the pre-
6 ceding sentence shall be subject to the reductions
7 under section 6402 in the same manner as if such
8 amount were an overpayment. The amount so paid
9 shall be treated as refunded to such individual.

10 “(3) DESIGNATED RETIREMENT ACCOUNT.—
11 For purposes of this subsection, the term ‘des-
12 ignated retirement account’ means any account or
13 plan—

14 “(A) of a type to which qualified retire-
15 ment savings contributions may be made,

16 “(B) which is for such individual’s benefit,
17 and

18 “(C) which is designated by such indi-
19 vidual (in such form and manner as the Sec-
20 retary may provide) on the return of tax for the
21 taxable year.

22 “(4) TREATMENT OF MATCHING CONTRIBU-
23 TIONS.—In the case of an amount paid under para-
24 graph (2) into a designated retirement account—

1 “(A) any dollar limitation otherwise appli-
2 cable to the amount of contributions or defere-
3 rals to such account shall be increased by the
4 amount so paid,

5 “(B) the individual’s basis in such account
6 shall not be increased by reason of the amount
7 so paid, and

8 “(C) such amount shall be treated as an
9 employer contribution for the plan year in
10 which such amount is paid for purposes of—

11 “(i) section 401(k)(3), and

12 “(ii) section 408(k)(6)(A)(iii).

13 “(5) REGULATIONS.—The Secretary shall pre-
14 scribe such regulations or other guidance as may be
15 necessary to address situations under which the Sec-
16 retary is not able to make a payment to a designated
17 retirement account of an individual, including a plan
18 of an employer for which the individual no longer
19 works and to an account that does not exist.”.

20 (3) CONFORMING AMENDMENTS.—

21 (A) Section 6211(b)(4)(A) of such Code is
22 amended by inserting “36C,” after “36B,”.

23 (B) The table of sections for subpart A of
24 part IV of subchapter A of chapter 1 of such

1 Code is amended by striking the item relating
2 to section 25B.

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

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

6 (D) Section 1324(b)(2) of title 31, United
7 States Code, is amended by inserting “36C,”
8 after “36B.”.

9 (e) MAXIMUM CONTRIBUTIONS.—Subsection (a) of
10 section 36C of such Code, as redesignated by subsection
11 (b), is amended to read as follows:

12 “(a) ALLOWANCE OF CREDIT.—

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

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

22 “(A) IN GENERAL.—Except as otherwise
23 provided in this paragraph, the contribution
24 limit is \$500 (\$1,500 for taxable years begin-
25 ning after 2023).

1 “(B) ANNUAL INCREASES TO REACH
2 \$1,500.—In the case of taxable years beginning
3 in a calendar year after 2013 and before 2024,
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 2023, 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 2022’ 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, 2013.

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