

103D CONGRESS
1ST SESSION

S. 352

To provide for the self-employment tax treatment of qualified withdrawals from a capital construction fund account under section 607(d) of the Merchant Marine Act.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 5), 1993

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

A BILL

To provide for the self-employment tax treatment of qualified withdrawals from a capital construction fund account under section 607(d) of the Merchant Marine Act.

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. SELF-EMPLOYMENT TAX TREATMENT OF**
4 **QUALIFIED WITHDRAWALS FROM CAPITAL**
5 **CONSTRUCTION FUND ACCOUNT.**

6 (a) IN GENERAL.—Subsection (g) of section 607 of
7 the Merchant Marine Act, 1936 (46 U.S.C. 1177) is
8 amended by adding at the end the following new para-
9 graph:

1 “(6) SPECIAL RULE FOR SELF-EMPLOYMENT
2 TAX.—In determining net earnings from self-employ-
3 ment for any taxable year, the basis of a vessel,
4 barge, or container shall not be reduced by any
5 qualified withdrawal in such taxable year.”

6 (b) CONFORMING AMENDMENTS.—

7 (1) Subsection (f) of section 7518 of the Inter-
8 nal Revenue Code of 1986 is amended by adding at
9 the end the following new paragraph:

10 “(6) SPECIAL RULE FOR SELF-EMPLOYMENT
11 TAX.—In determining net earnings from self-employ-
12 ment for any taxable year, the basis of a vessel,
13 barge, or container shall not be reduced by any
14 qualified withdrawal in such taxable year.”

15 (2) Section 1403(b) of the Internal Revenue
16 Code of 1986 is amended by adding the following
17 new paragraph:

18 “(3) For treatment of qualified withdrawals
19 from capital construction fund accounts, see section
20 607(g)(6) of the Merchant Marine Act, 1936 (46
21 U.S.C. 1177) and section 7518(f)(6).”

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to withdrawals occurring after
24 December 31, 1992.

○