

105TH CONGRESS  
1ST SESSION

# H. R. 1028

To amend the Internal Revenue Code of 1986 to provide a partial exclusion from gross income of certain retirement benefits received by taxpayers who have attained age 65.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1997

Mr. SAXTON introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a partial exclusion from gross income of certain retirement benefits received by taxpayers who have attained age 65.

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 “Equity in Pensions  
5 Act of 1997”.

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1 **SEC. 2. PARTIAL EXCLUSION OF CERTAIN RETIREMENT**  
2 **BENEFITS.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-  
4 ter 1 of the Internal Revenue Code of 1986 (relating to  
5 items specifically excluded from gross income) is amended  
6 by redesignating section 138 as section 139 and by insert-  
7 ing after section 137 the following new section:

8 **“SEC. 138. PARTIAL EXCLUSION OF CERTAIN RETIREMENT**  
9 **BENEFITS.**

10 “(a) IN GENERAL.—In the case of an individual who  
11 has attained age 65 before the close of the taxable year,  
12 gross income shall not include amounts received during  
13 the taxable year as a pension, annuity, or disability benefit  
14 which, but for this section, is includible in gross income.

15 “(b) MAXIMUM EXCLUSION.—The aggregate amount  
16 excluded from gross income by the taxpayer under sub-  
17 section (a) for the taxable year shall not exceed \$10,000,  
18 reduced (but not below zero) by the social security benefits  
19 (within the meaning of section 86(d)) received by the tax-  
20 payer during such year which are excluded from gross in-  
21 come.

22 “(c) TREATMENT OF RETURNS OF MARRIED PER-  
23 SONS.—In the case of a husband and wife—

24 “(1) each of whom has attained age 65 before  
25 the close of the taxable year, and

26 “(2) who do not file a joint return,

1 the aggregate amount excluded from gross income by the  
2 taxpayer under subsection (a) for the taxable year shall  
3 not exceed \$5,000, reduced (but not below zero) by the  
4 social security benefits (within the meaning of section  
5 86(d)) received by the taxpayer during such year which  
6 are excluded from gross income, unless the husband and  
7 wife elect to allocate the \$10,000 amount between them  
8 in a manner different from that made by the preceding  
9 sentence.”

10 (b) CLERICAL AMENDMENT.—The table of sections  
11 of part III of subchapter B of chapter 1 of such Code  
12 is amended by striking the last item and inserting the fol-  
13 lowing new items:

“Sec. 138. Partial exclusion of certain retirement benefits.  
“Sec. 139. Cross references to other Acts.”

14 (c) 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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