

107TH CONGRESS
1ST SESSION

H. R. 12

To amend the Internal Revenue Code of 1986 to increase the limitation on contributions to individual retirement accounts.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2001

Mr. GALLEGLY (for himself, Mr. FOLEY, Mr. HERGER, and Mr. HAYWORTH) 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 limitation on contributions to individual retirement accounts.

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 “IRA Fairness Act of
5 2001”.

6 SEC. 2. MODIFICATION OF IRA CONTRIBUTION LIMITS.

7 (a) INCREASE IN CONTRIBUTION LIMIT.—

8 (1) IN GENERAL.—Paragraph (1)(A) of section
9 219(b) of the Internal Revenue Code of 1986 (relat-

1 ing to maximum amount of deduction) is amended
 2 by striking “\$2,000” and inserting “the deductible
 3 amount”.

4 (2) DEDUCTIBLE AMOUNT.—Section 219(b) of
 5 such Code is amended by adding at the end the fol-
 6 lowing new paragraph:

7 “(5) DEDUCTIBLE AMOUNT.—For purposes of
 8 paragraph (1)(A)—

9 “(A) IN GENERAL.—The deductible
 10 amount shall be determined in accordance with
 11 the following table:

“For taxable years beginning in:	The deductible amount is:
2002	\$3,000
2003	\$4,000
2004 and thereafter	\$5,000.

12 “(B) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS 50 OR OLDER.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for such taxable year shall be an amount equal to 125 percent of such amount determined without regard to this subparagraph.

20 “(C) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2004, the \$5,000 amount

1 under subparagraph (A) shall be increased by
2 an amount equal to—

3 “(i) such dollar amount, multiplied by
4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year in which the taxable year be-
7 gins, determined by substituting ‘calendar
8 year 2003’ for ‘calendar year 1992’ in sub-
9 paragraph (B) thereof.

10 “(D) ROUNDING RULES.—If the deductible
11 amount determined under subparagraph (B),
12 and if any amount after adjustment under sub-
13 paragraph (C), is not a multiple of \$500, such
14 amount shall be rounded to the nearest multiple
15 of \$500.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 408(a)(1) of such Code is amended
18 by striking “in excess of \$2,000 on behalf of any in-
19 dividual” and inserting “on behalf of any individual
20 in excess of the amount in effect for such taxable
21 year under section 219(b)(1)(A)”.

22 (2) Section 408(b)(2)(B) of such Code is
23 amended by striking “\$2,000” and inserting “the
24 dollar amount in effect under section 219(b)(1)(A)”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2001.