

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4019

To amend title 4 of the United States Code to clarify the treatment of self-employment for purposes of the limitation on State taxation of retirement income.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2005

Mr. CANNON introduced the following bill; which was referred to the Committee on the Judiciary

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## A BILL

To amend title 4 of the United States Code to clarify the treatment of self-employment for purposes of the limitation on State taxation of retirement income.

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. CLARIFICATION OF TREATMENT OF SELF-EM-**  
4 **PLOYMENT FOR PURPOSES OF THE LIMITA-**  
5 **TION ON STATE TAXATION OF RETIREMENT**  
6 **INCOME.**

7 (a) IN GENERAL.—Section 114(b)(1)(i) of title 4,  
8 United States Code, is amended by—

1           (1) inserting “and any plan, program, or ar-  
2           rangement providing for retirement benefits to a re-  
3           tired partner (treated as such under applicable tax  
4           laws)” after “section 3121(v)(2)(C) of such Code”,

5           (2) inserting “which may include income de-  
6           scribed in subparagraphs (A) through (H)” after  
7           “(not less frequently than annually”, and

8           (3) adding at the end the following: “The fact  
9           that benefits may be adjusted from time to time  
10          pursuant to the plan to limit total disbursements  
11          under a predetermined formula, or to provide cost of  
12          living or similar adjustments, will not cause the pe-  
13          riod benefits provided under the plan to fail the  
14          ‘substantially equal period payments’ test.”.

15          (b) APPLICATION.—The amendments made by this  
16          section apply to amounts received after December 31,  
17          1995.

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