

110TH CONGRESS
1ST SESSION

H. R. 2163

To amend the Internal Revenue Code of 1986 to expand incentives for saving.

IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2007

Mr. MACK (for himself, Mr. MILLER of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. BUCHANAN, Mr. ALEXANDER, Mr. BONNER, Mr. CRENSHAW, Mr. WESTMORELAND, Mr. FEENEY, Mrs. BONO, Mr. ENGLISH of Pennsylvania, Mr. SESSIONS, and Mr. CAMPBELL of California) 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 incentives for saving.

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 “Kids Invest and De-
5 velop Savings Act of 2007”.

1 **SEC. 2. EXPANSION OF SAVERS CREDIT.**

2 (a) EXPANSION OF CREDIT.—Subsections (a) and (b)
3 of section 25B of such Code are amended to read as fol-
4 lows:

5 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
6 gible individual, there shall be allowed as a credit against
7 the tax imposed by this subtitle for the taxable year an
8 amount equal to the qualified retirement savings contribu-
9 tions of the eligible individual for the taxable year.

10 “(b) LIMITATION.—

11 “(1) IN GENERAL.—The amount allowed as a
12 credit under subsection (a) for a taxable year shall
13 not exceed the applicable dollar limit.

14 “(2) APPLICABLE DOLLAR LIMIT.—For pur-
15 poses of paragraph (1)—

16 “(A) IN GENERAL.—Except as provided in
17 subparagraph (B), the applicable dollar limit
18 is—

19 “(i) in the case of a joint return,
20 \$3,000, and

21 “(ii) in the case of any other return,
22 50 percent of the dollar amount applicable
23 for the taxable year under clause (i).

24 “(B) LIMITATION BASED ON ADJUSTED
25 GROSS INCOME.—The applicable dollar limit
26 shall be zero in the case of a taxpayer whose

1 adjusted gross income for the taxable year ex-
2 ceeds—

3 “(i) \$150,000 in the case of a joint
4 return, and

5 “(ii) \$95,000 in any other case.

6 “(3) INFLATION ADJUSTMENT.—In the case of
7 any taxable year beginning after 2007, the amounts
8 contained in subparagraph (A)(i) and clauses (i) and
9 (ii) of subparagraph (B) of paragraph (2) shall each
10 be increased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for such calendar
14 year by substituting ‘calendar year 2006’ for
15 ‘calendar year 1992’ in subparagraph (B)
16 thereof.

17 If any amount as adjusted under the preceding sentence
18 is not a multiple of \$100, such amount shall be rounded
19 to the nearest multiple of \$100.”.

20 (b) CREDIT ALLOWED FOR CONTRIBUTIONS TO
21 ROTH IRAS FOR CHILDREN.—

22 (1) IN GENERAL.—Paragraph (1) of section
23 25B(d) of such Code (defining qualified retirement
24 savings contributions) is amended by striking “and”
25 at the end of subparagraph (B), by striking the pe-

1 riod at the end of subparagraph (C) and inserting
2 “, and”, and by inserting after subparagraph (C)
3 the following new subparagraph:

4 “(D) the amount of contributions made by
5 the eligible individual to all Roth IRAs for chil-
6 dren under section 408A(g).”.

7 (2) LIMITATION.—Paragraph (1) of section
8 25B(d) of such Code (defining qualified retirement
9 savings contributions) is amended by adding at the
10 end the following flush sentence: “The amount taken
11 into account under subparagraph (D) shall not ex-
12 ceed the aggregate amount of contributions allowed
13 to all Roth IRAs of such eligible individual under
14 section 408A(g).”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2006.

18 **SEC. 3. ROTH IRAS FOR CHILDREN.**

19 (a) IN GENERAL.—Section 408A of the Internal Rev-
20 enue Code of 1986 (relating to Roth IRAs) is amended
21 by adding at the end the following new subsection:

22 “(g) SPECIAL RULES FOR ROTH IRAS FOR CHIL-
23 DREN.—

24 “(1) GENERAL RULE.—A Roth IRA maintained
25 for the benefit of an individual who has not attained

1 age 25 before the close of the taxable year shall be
2 maintained under this section, as modified by this
3 subsection.

4 “(2) CONTRIBUTION LIMITS.—

5 “(A) IN GENERAL.—For so long as a Roth
6 IRA is subject to this subsection, contributions
7 to such Roth IRA shall be subject to this para-
8 graph and not to subsection (c)(2), and sub-
9 section (c)(3) shall not apply.

10 “(B) LIMIT.—The aggregate amount of
11 contributions for any taxable year to all child
12 Roth IRAs maintained for the benefit of an in-
13 dividual under this subsection shall not exceed
14 the maximum amount allowable as a deduction
15 under subsection (b)(1) of section 219 for such
16 taxable year (computed without regard to sub-
17 sections (b)(1)(B), (d)(1), and (g) of such sec-
18 tion).”.

19 (b) ENFORCEMENT OF CONTRIBUTION LIMITS.—
20 Paragraphs (1)(B) and (2)(B) of section 4973(f) of such
21 Code are each amended by striking “and (c)(3)” and in-
22 serting “, (c)(3), and (g)(2)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2006.

○