

115TH CONGRESS
1ST SESSION

H. R. 3892

To amend the Internal Revenue Code of 1986 to provide an exception for certain spun-off voluntary employees' beneficiary associations to the limitation on the exemption from tax on unrelated business taxable income of amounts set aside for qualified benefits.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2017

Mrs. WALORSKI (for herself and Mr. CARSON of Indiana) 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 provide an exception for certain spun-off voluntary employees' beneficiary associations to the limitation on the exemption from tax on unrelated business taxable income of amounts set aside for qualified benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCEPTION FROM TAX ON UNRELATED BUSI-**
2 **NESS TAXABLE INCOME FOR CERTAIN SPUN-**
3 **OFF VOLUNTARY EMPLOYEES' BENEFICIARY**
4 **ASSOCIATIONS.**

5 (a) IN GENERAL.—Section 512(a)(3)(E) of the Inter-
6 nal Revenue Code of 1986 is amended by adding at the
7 end the following new clause:

8 “(iv) CERTAIN SPUN-OFF VOLUNTARY
9 EMPLOYEES’ BENEFICIARY ASSOCIA-
10 TIONS.—This subparagraph shall not apply
11 to any voluntary employees’ beneficiary as-
12 sociation described in section 501(c)(9) for
13 any taxable year if—

14 “(I) such organization was origi-
15 nally established before the date of
16 the enactment of this clause by an
17 employer to provide benefits described
18 in section 501(c)(9) for eligible em-
19 ployees and retirees and their depend-
20 ents and beneficiaries,

21 “(II) the only benefits provided
22 by such organization are post-retire-
23 ment medical and life benefits,

24 “(III) such employer has (before
25 the beginning of such taxable year)
26 delegated all authority and responsi-

1 bility with respect to such organiza-
2 tion to one or more independent per-
3 sons who do not have an employment
4 relationship with the members entitled
5 to benefits from such organization,

6 “(IV) no member entitled to ben-
7 efits from such organization is enti-
8 tled to benefits from any other organi-
9 zation described in section 501(c)(9)
10 as a result of employment with such
11 employer, and

12 “(V) such employer, as of the
13 close of such taxable year, has no obli-
14 gation to make any contribution to
15 such organization and has not made a
16 contribution to such organization at
17 any time during the 11-taxable-year
18 period ending with such taxable
19 year.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2017.

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