

107TH CONGRESS
2^D SESSION

H. R. 5568

To amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits and to increase the age at which distributions must commence from certain retirement plans from 70½ to 80.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2002

Mr. WELDON of Florida 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 repeal the 1993 income tax increase on Social Security benefits and to increase the age at which distributions must commence from certain retirement plans from 70½ to 80.

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 “Seniors’ Retirement
5 Recovery Act of 2002”.

1 **SEC. 2. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL**
2 **SECURITY BENEFITS.**

3 (a) RESTORATION OF PRIOR LAW FORMULA.—Sub-
4 section (a) of section 86 of the Internal Revenue Code of
5 1986 is amended to read as follows:

6 “(a) IN GENERAL.—Gross income for the taxable
7 year of any taxpayer described in subsection (b) (notwith-
8 standing section 207 of the Social Security Act) includes
9 Social Security benefits in an amount equal to the lesser
10 of—

11 “(1) one-half of the Social Security benefits re-
12 ceived during the taxable year, or

13 “(2) one-half of the excess described in sub-
14 section (b)(1).”.

15 (b) REPEAL OF ADJUSTED BASE AMOUNT.—Sub-
16 section (c) of section 86 of such Code is amended to read
17 as follows:

18 “(c) BASE AMOUNT.—For purposes of this section,
19 the term ‘base amount’ means—

20 “(1) except as otherwise provided in this sub-
21 section, \$25,000,

22 “(2) \$32,000 in the case of a joint return, and

23 “(3) zero in the case of a taxpayer who—

24 “(A) is married as of the close of the tax-
25 able year (within the meaning of section 7703)

1 but does not file a joint return for such year,
2 and

3 “(B) does not live apart from his spouse at
4 all times during the taxable year.”.

5 (e) CONFORMING AMENDMENTS.—

6 (1) Subparagraph (A) of section 871(a)(3) of
7 such Code is amended by striking “85 percent” and
8 inserting “50 percent”.

9 (2)(A) Subparagraph (A) of section 121(e)(1)
10 of the Social Security Amendments of 1983 (Public
11 Law 98–21) is amended—

12 (i) by striking “(A) There” and inserting
13 “There”;

14 (ii) by striking “(i)” immediately following
15 “amounts equivalent to”; and

16 (iii) by striking “, less (ii)” and all that
17 follows and inserting a period.

18 (B) Paragraph (1) of section 121(e) of such Act
19 is amended by striking subparagraph (B).

20 (C) Paragraph (3) of section 121(e) of such Act
21 is amended by striking subparagraph (B) and by re-
22 designating subparagraph (C) as subparagraph (B).

23 (D) Paragraph (2) of section 121(e) of such
24 Act is amended in the first sentence by striking
25 “paragraph (1)(A)” and inserting “paragraph (1)”.

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection, the amendments made by
4 this section shall apply to taxable years beginning
5 after December 31, 2001.

6 (2) SUBSECTION (c)(1).—The amendment made
7 by subsection (c)(1) shall apply to benefits paid after
8 December 31, 2001.

9 (3) SUBSECTION (c)(2).—The amendments
10 made by subsection (c)(2) shall apply to tax liabil-
11 ities for taxable years beginning after December 31,
12 2001.

13 (e) MAINTENANCE OF TRANSFERS TO HOSPITAL IN-
14 SURANCE TRUST FUND.—

15 (1) IN GENERAL.—There are hereby appro-
16 priated to the Hospital Insurance Trust Fund estab-
17 lished under section 1817 of the Social Security Act
18 amounts equal to the reduction in revenues to the
19 Treasury by reason of the enactment of this Act.
20 Amounts appropriated by the preceding sentence
21 shall be transferred from the general fund at such
22 times and in such manner as to replicate to the ex-
23 tent possible the transfers which would have oc-
24 curred to such Trust Fund had this Act not been
25 enacted.

1 (2) REPORTS.—The Secretary of the Treasury
2 or the Secretary’s delegate shall annually report to
3 the Committee on Ways and Means of the House of
4 Representatives and the Committee on Finance of
5 the Senate the amounts and timing of the transfers
6 under this subsection.

7 **SEC. 3. AGE FOR BEGINNING MANDATORY DISTRIBUTIONS**
8 **INCREASED TO 80.**

9 (a) QUALIFIED PENSION PLANS.—Subparagraphs
10 (B)(iv) and (C) of section 401(a)(9) of the Internal Rev-
11 enue Code of 1986 (relating to required distributions) are
12 each amended by striking “70½” each place it appears
13 and inserting “80”.

14 (b) INDIVIDUAL RETIREMENT PLANS.—

15 (1) Paragraph (1) of section 219(d) of such
16 Code is amended—

17 (A) by striking “70½” in the text and in-
18 serting “80”, and

19 (B) by striking “70½” in the heading and
20 inserting “80”.

21 (2) Subsection (b) of section 408 of such Code
22 is amended by striking “70½” and inserting “80”.

23 (c) ROTH IRA’S.—Paragraph (4) of section 408A(c)
24 of such Code is amended—

1 (1) by striking “70½” in the text and inserting
2 “80”, and

3 (2) by striking “70½” in the heading and in-
4 serting “80”.

5 (d) SECTION 457 PLANS.—Clause (i) of section
6 457(d)(1)(A) of such Code is amended by striking “70½”
7 and inserting “80”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to distributions after the date of
10 the enactment of this Act.

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