

93^d CONGRESS
1st SESSION

H. R. 10052

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 1973

Mr. MATSUNAGA introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1954 to increase the maximum limitations on the amount deductible for pensions for the self-employed.

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

3 That—

4 (a) CONTRIBUTIONS ON BEHALF OF SELF-EMPLOYED
5 INDIVIDUALS.—

6 (1) SPECIAL LIMITATIONS FOR SELF-EMPLOYED
7 INDIVIDUALS.—Section 404 (c) of the Internal Revenue
8 Code of 1954 (relating to special limitations for self-
9 employed individuals) is amended by striking out

1 “\$2,500, or 10 percent” each time it appears and in-
2 serting in lieu thereof “\$7,500, or 15 percent”.

3 (2) EXCESS CONTRIBUTIONS ON BEHALF OF
4 OWNER-EMPLOYEES.—

5 (A) Section 401 (e) (1) (B) (iii) of such
6 Code (relating to excess contributions on behalf of
7 owner-employees) is amended by striking out
8 “\$2,500 or 10 percent” and inserting in lieu
9 thereof “\$7,500 or 15 percent”.

10 (B) Section 401 (e) (1) (B) (iv) of such Code
11 (relating to excess contributions on behalf of owner-
12 employees) is amended by striking out “\$2,500”
13 and inserting in lieu thereof “\$7,500”.

14 (C) Section 401 (e) (3) of such Code (relat-
15 ing to contributions for premiums on annuity, etc.,
16 contracts) is amended by striking out “\$2,500”
17 and inserting in lieu thereof “\$7,500”.

18 (3) PENALTIES APPLICABLE TO CERTAIN
19 AMOUNTS RECEIVED BY OWNER-EMPLOYEES.—Section
20 72 (m) (5) (B) (i) of such Code (relating to penalties
21 applicable to certain amounts received by owner-em-
22 ployees) is amended by striking out “\$2,500” and in-
23 serting in lieu thereof “\$7,500”.

24 (b) CONTRIBUTIONS ON BEHALF OF SHAREHOLDER-
25 EMPLOYEES OF ELECTING SMALL BUSINESS CORPORA-

1 TIONS.—Section 1379 (b) (1) of such Code (relating to
2 the taxability of shareholder-employee beneficiaries) is
3 amended—

4 (1) by striking out in subparagraph (A) “10 per-
5 cent” and inserting in lieu thereof “15 percent”, and

6 (2) by striking out in subparagraph (B) “\$2,500”
7 and inserting in lieu thereof “\$7,500”.

8 (c) EFFECTIVE DATE.—The amendments made by this
9 Act shall apply to taxable years beginning after De-
10 cember 31, 1973.

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By Mr. MATSUNAGA

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