

117TH CONGRESS
2D SESSION

H. R. 6738

To amend the Internal Revenue Code of 1986 to provide a CSEC employee tax credit.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2022

Mr. KIND (for himself and Mr. KELLY of Pennsylvania) 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 a CSEC employee tax credit.

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 “Retirement Tax Credit
5 Parity for Cooperatives and Charities Act”.

6 **SEC. 2. CSEC EMPLOYEE TAX CREDIT.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by inserting after section 25D the fol-
10 lowing new section:

1 **“SEC. 25E. CSEC EMPLOYEE TAX CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
3 gible individual, there shall be allowed as a credit against
4 the tax imposed by this subtitle for the taxable year an
5 amount equal to 10 percent of so much of the employer
6 retirement savings contributions made on behalf of the eli-
7 gible individual for the plan year ending with or within
8 such taxable year as do not exceed \$1,000.

9 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this
10 section, the term ‘eligible individual’ means any individual
11 who is eligible to participate in a CSEC defined contribu-
12 tion plan.

13 “(c) EMPLOYER RETIREMENT SAVINGS CONTRIBU-
14 TIONS.—For purposes of this section, with respect to any
15 employee, the term ‘employer retirement savings contribu-
16 tions’ means the amount of employer contributions (other
17 than elective deferrals as defined in section 402(g)(3))
18 made to a CSEC defined contribution plan on behalf of
19 such employee.

20 “(d) CSEC DEFINED CONTRIBUTION PLAN.—For
21 purposes of this section, the term ‘CSEC defined contribu-
22 tion plan’ means a defined contribution plan which—

23 “(1) as of July 26, 2005, would be an eligible
24 cooperative plan, as defined in section 104(c) of the
25 Pension Protection Act of 2006, if such section ap-
26 plied to defined contribution plans,

1 “(2) as of January 1, 2021, was maintained by
2 an employer that also participated in an eligible co-
3 operative plan, as defined in section 104(c) of the
4 Pension Protection Act of 2006,

5 “(3) would be described in subparagraph (B),
6 (C), or (D) of section 414(y)(1) but for the fact that
7 it is a defined contribution plan, or

8 “(4) as of January 1, 2021, was maintained by
9 an employer that also participated in a plan de-
10 scribed in subparagraph (B), (C), or (D) of section
11 414(y)(1).

12 “(e) INFLATION ADJUSTMENT.—In the case of any
13 taxable year beginning after December 31, 2022, the
14 \$1,000 amount in subsection (a) shall be increased by an
15 amount equal to—

16 “(1) such dollar amount, multiplied by

17 “(2) the cost-of-living adjustment determined
18 under section 1(f)(3) for the calendar year in which
19 the taxable year begins, determined by substituting
20 ‘calendar year 2021’ for ‘calendar year 2016’ in sub-
21 paragraph (A)(ii) thereof.

22 Any increase determined under the preceding sentence
23 shall be rounded to the nearest multiple of \$50.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

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