

[June 6, 1966]

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## CONTRIBUTIONS BY SELF-EMPLOYED INDIVIDUALS TO PENSION PLANS, ETC.

Mr. KEOGH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10) to amend the Internal Revenue Code of 1954 to permit pension and profit-sharing plans to provide contributions or benefits on a nondiscriminatory basis for certain self-employed individuals without special limitations on the amount of contributions, with the committee amendment printed in the bill.

The Clerk read as follows:

H.R. 10

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (10) of section 404(a) of the Internal Revenue Code of 1954 (relating to special limitation on amount allowed as deduction for self-employed individuals for contributions to certain pension, etc., plans) is repealed.*

(b) (1) Each of the following provisions of section 401 of such Code is amended by striking out "(determined without regard to section 404(a)(10))" each place it appears:

(A) Subsection (a) (10) (A) (ii).

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(B) Subparagraphs (A) and (B) of subsection (d) (5).

(C) Subparagraph (A) of subsection (d) (6).

(D) Subparagraphs (A) and (B) (1) of subsection (e) (1).

(E) Subparagraphs (B) and (C) and the last sentence of subsection (e) (3).

(2) Subparagraph (A) of section 404(e) (2) of such Code as amended by striking out "(determined without regard to subsection (a) (10))".

(3) Paragraph (1) and subparagraph (B) of paragraph (2) of section 404(e) of such Code are each amended by striking out "(determined without regard to paragraph (10) thereof)".

Sec. 2. Section 401(c) (2) of the Internal Revenue Code of 1954 (relating to definition of earned income for certain pension and profit-sharing plans) is amended to read as follows:

"(2) (EARNED INCOME.—The term 'earned income' means the net earnings from self-employment (as defined in section 1402(a)), but such net earnings shall be determined—

"(A) only with respect to a trade or business in which personal services of the taxpayer are a material income-producing factor,

"(B) without regard to paragraphs (4) and (5) of section 1402(c),

"(C) in the case of any individual who is treated as an employee under sections 3121 (d) (3) (A), (C), or (D), without regard to paragraph (2) of section 1402(c), and

"(D) without regard to items which are not included in gross income for purposes of this chapter, and the deductions properly allocable to or chargeable against such items.

For purposes of this paragraph, section 1402, as in effect for a taxable year ending on December 31, 1962, shall be treated as having been in effect for all taxable years ending before such date."

Sec. 3. The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1965.

The SPEAKER pro tempore (Mr. Boggs). Is a second demanded?

Mr. BYRNES of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. KEOGH. Mr. Speaker, I yield myself such time as I may consume.

(Mr. KEOGH asked and was given permission to revise and extend his remarks.)

### GENERAL LEAVE TO EXTEND

Mr. KEOGH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. KEOGH. Mr. Speaker, the 6th day of the 6th month in the 66th year is a rather appropriate day that, by your grace, the House considers the amendments to H.R. 10, for it will have been exactly 15 years ago tomorrow, from June 7 of 1951, when those who sought to achieve a degree of equity and justice for the self-employed professional and businessmen of the country caused to be introduced the first form of the bill which eventually became the Self-employed Individual's Tax Retirement Act of 1962.

By your grace, Mr. Speaker, yes, it is today.

I acknowledge dutifully my appreciation to you for having scheduled this important bill today. Included in my expressions of appreciation are the majority leader; the majority whip, who is a cosponsor of the bill; and, last but not least, the great and able chairman of the Committee on Ways and Means, without whose cooperation we would not here be marching forward taking another step in the direction of making the practice of one's private profession or the engaging in one's own business something that is truly American, something that is more constructive, and something that provides a greater incentive for the maintenance of those 10 million people who with their approximately 10 million employees constitute as they do the bulk of the great middle class of this country, the very existence of which distinguishes this great country from so many others in the Western World and all of those in the Eastern World.

The pending bill is H.R. 10 amended, Mr. Speaker, but it might very well be any one of the following bills introduced by distinguished Members of this