| | (Original Signature of Mem | ber) |
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| 117TH CONGRESS 1ST SESSION | H.R. | |

To amend the Internal Revenue Code of 1986 to allow retroactive elective deferrals for owners of unincorporated businesses in the case of a plan adopted after the close of the taxable year and before the time for filing the return of tax.

IN THE HOUSE OF REPRESENTATIVES

Mr. Schweikert introduced the following bill; which was referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to allow retroactive elective deferrals for owners of unincorporated businesses in the case of a plan adopted after the close of the taxable year and before the time for filing the return of tax.

- 1 Be it enacted by the Senate and House of Representa-
- tives of the United States of America in Congress assembled,
- 3 SECTION 1. RETROACTIVE FIRST YEAR ELECTIVE DEFER-
- 4 RALS FOR SOLE PROPRIETORS.
- (a) In General.—Section 401(b) of the Internal 5
- Revenue Code of 1986 is amended by adding at the end

- 1 the following: "In the case of an individual who owns the
- 2 entire interest in an unincorporated trade or business, and
- 3 who is the only employee of such trade or business, any
- 4 elective deferral (as defined in section 402(g)(3)) under
- 5 a plan to which the preceding sentence applies which is
- 6 made by such individual before the time for filing the re-
- 7 turn of such individual for the taxable year (determined
- 8 without regard to any extensions) shall be treated as hav-
- 9 ing been made before the end of the plan's first plan
- 10 year.".
- 11 (b) Effective Date.—The amendment made by
- 12 this section shall apply to plan years beginning after De-
- 13 cember 31, 2021.