

106TH CONGRESS  
1ST SESSION

# H. R. 2282

To amend the Internal Revenue Code of 1986 to allow penalty-free withdrawals from individual retirement plans for adoption expenses and to expand and extend permanently the exclusion allowed for employer adoption assistance programs.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 1999

Mr. BLILEY (for himself, Mr. OBERSTAR, Mr. CAMP, Mr. SCOTT, Mr. BURTON of Indiana, Mr. POMEROY, and Mr. DEMINT) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow penalty-free withdrawals from individual retirement plans for adoption expenses and to expand and extend permanently the exclusion allowed for employer adoption assistance programs.

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 “Families First Act”.

1 **SEC. 2. PENALTY-FREE WITHDRAWALS FROM INDIVIDUAL**  
2 **RETIREMENT PLANS FOR ADOPTION EX-**  
3 **PENSES.**

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of  
5 the Internal Revenue Code of 1986 is amended by adding  
6 at the end the following new subparagraph:

7 “(G) QUALIFIED ADOPTION EXPENSES.—  
8 Distributions from an individual retirement  
9 plan (other than distributions described in the  
10 preceding subparagraphs of this paragraph) to  
11 the extent that the amount of such distributions  
12 does not exceed the lesser of—

13 “(i) \$5,000, or

14 “(ii) the excess (if any) of—

15 “(I) the qualified adoption ex-  
16 penses (as defined in section 23(d))  
17 paid by the taxpayer during the tax-  
18 able year, over

19 “(II) the amount of the credit al-  
20 lowable under section 23 for such ex-  
21 penses (determined as if such credit  
22 were allowed for such year without re-  
23 gard to any limitation based on liabil-  
24 ity for tax).”

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to distributions after the date of  
3 the enactment of this Act.

4 **SEC. 3. EMPLOYER ADOPTION ASSISTANCE PROGRAMS.**

5 (a) PERMANENT EXTENSION.—Section 137 of the  
6 Internal Revenue Code of 1986 (relating to adoption as-  
7 sistance programs) is amended by striking subsection (f).

8 (b) INCREASE IN DOLLAR LIMITATION AMOUNT.—  
9 Paragraph (1) of section 137(b) of such Code (relating  
10 to dollar limitation) is amended by striking “\$5,000” and  
11 all that follows and inserting “\$10,000”.

12 (c) INCREASE IN INCOME LIMITATION.—Subpara-  
13 graph (A) of section 137(b)(2) of such Code (relating to  
14 income limitation) is amended by striking “\$75,000” and  
15 inserting “\$150,000”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 1999.

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