

regard to the provisions of subsec. (c) of this section, to the extent it was otherwise deductible under this section.

**[§ 218. Repealed. Pub. L. 95-600, title I, § 113(a)(1), Nov. 6, 1978, 92 Stat. 2778]**

Section, added Pub. L. 92-178, title VII, §702(a), Dec. 10, 1971, 85 Stat. 561; amended Pub. L. 93-625, §§11(d), 12(b), Jan. 3, 1975, 88 Stat. 2120; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834, related to contributions to candidates for public office.

A prior section 218 was renumbered section 224 of this title.

**EFFECTIVE DATE OF REPEAL**

Repeal effective with respect to contributions the payment of which is made after Dec. 31, 1978, in taxable years beginning after such date, see section 113(d) of Pub. L. 95-600, set out as an Effective Date of 1978 Amendment note under section 24 of this title.

**§ 219. Retirement savings**

**(a) Allowance of deduction**

In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified retirement contributions of the individual for the taxable year.

**(b) Maximum amount of deduction**

**(1) In general**

The amount allowable as a deduction under subsection (a) to any individual for any taxable year shall not exceed the lesser of—

- (A) the deductible amount, or
- (B) an amount equal to the compensation includible in the individual's gross income for such taxable year.

**(2) Special rule for employer contributions under simplified employee pensions**

This section shall not apply with respect to an employer contribution to a simplified employee pension.

**(3) Plans under section 501(c)(18)**

Notwithstanding paragraph (1), the amount allowable as a deduction under subsection (a) with respect to any contributions on behalf of an employee to a plan described in section 501(c)(18) shall not exceed the lesser of—

- (A) \$7,000, or
- (B) an amount equal to 25 percent of the compensation (as defined in section 415(c)(3)) includible in the individual's gross income for such taxable year.

**(4) Special rule for simple retirement accounts**

This section shall not apply with respect to any amount contributed to a simple retirement account established under section 408(p).

**(5) Deductible amount**

For purposes of paragraph (1)(A)—

**(A) In general**

The deductible amount is \$5,000.

**(B) Catch-up contributions for individuals 50 or older**

**(i) In general**

In the case of an individual who has attained the age of 50 before the close of the taxable year, the deductible amount for

such taxable year shall be increased by the applicable amount.

**(ii) Applicable amount**

For purposes of clause (i), the applicable amount is \$1,000.

**(C) Cost-of-living adjustment**

**(i) In general**

In the case of any taxable year beginning in a calendar year after 2008, the \$5,000 amount under subparagraph (A) shall be increased by an amount equal to—

- (I) such dollar amount, multiplied by
- (II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting "calendar year 2007" for "calendar year 1992" in subparagraph (B) thereof.

**(ii) Rounding rules**

If any amount after adjustment under clause (i) is not a multiple of \$500, such amount shall be rounded to the next lower multiple of \$500.

**(c) Kay Bailey Hutchison Spousal IRA**

**(1) In general**

In the case of an individual to whom this paragraph applies for the taxable year, the limitation of paragraph (1) of subsection (b) shall be equal to the lesser of—

- (A) the dollar amount in effect under subsection (b)(1)(A) for the taxable year, or
- (B) the sum of—

- (i) the compensation includible in such individual's gross income for the taxable year, plus
- (ii) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by—

(I) the amount allowed as a deduction under subsection (a) to such spouse for such taxable year,

(II) the amount of any designated non-deductible contribution (as defined in section 408(o)) on behalf of such spouse for such taxable year, and

(III) the amount of any contribution on behalf of such spouse to a Roth IRA under section 408A for such taxable year.

**(2) Individuals to whom paragraph (1) applies**

Paragraph (1) shall apply to any individual if—

(A) such individual files a joint return for the taxable year, and

(B) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.

**(d) Other limitations and restrictions**

**(1) Beneficiary must be under age 70½**

No deduction shall be allowed under this section with respect to any qualified retirement contribution for the benefit of an individual if such individual has attained age 70½ before the close of such individual's taxable year for which the contribution was made.