

BILL ANALYSIS

Senate Research Center

H.B. 76
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Jurisprudence
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Engrossed

DIGEST

Currently, traditional IRAs are protected from creditors in this state, while Roth IRAs are not. Roth IRAs were created by the Taxpayer Relief Act of 1997. Unlike a traditional IRA, an individual cannot deduct contributions made to a Roth IRA from the individual's taxable income. H.B. 76 exempts the Roth IRA from attachment, executions, or seizure by creditors.

PURPOSE

As proposed, H.B. 76 regulates the exemption of certain individual retirement accounts from attachment, execution, and seizure for the satisfaction of debts.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 42.0021(a) and (b), Property Code, to provide that a person's right to receive payments, whether vested or not, under any stock bonus, pension, profit-sharing, or similar plan, including a retirement plan for contract purchased with assets distributed from that type of plan, and under any retirement annuity or account described by Section 403(b) or 408A of the Internal Revenue Code of 1986 is exempt from certain conditions. Provides that contributions to an individual retirement account, other than contributions to a Roth IRA described in Section 408A, Internal Revenue Code, of 1986, are not exempt under this section unless otherwise exempt by law. Provides that amounts treated as qualified rollover contributions under Section 408A, Internal Revenue Code of 1986, are exempt amounts under Subsection (a). Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.

Effective date: upon passage.