

## HR 529

529 and ABLE Account Improvement Act of 2017

**Congress:** 115 (2017–2019, Ended)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Jan 13, 2017

**Current Status:** Referred to the House Committee on Ways and Means.

**Latest Action:** Referred to the House Committee on Ways and Means. (Jan 13, 2017)

**Official Text:** <https://www.congress.gov/bill/115th-congress/house-bill/529>

### Sponsor

**Name:** Rep. Jenkins, Lynn [R-KS-2]

**Party:** Republican • **State:** KS • **Chamber:** House

### Cosponsors (6 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kind, Ron [D-WI-3]	D · WI		Jan 13, 2017
Rep. Wittman, Robert J. [R-VA-1]	R · VA		Feb 2, 2017
Rep. Lofgren, Zoe [D-CA-19]	D · CA		May 18, 2017
Rep. DeFazio, Peter A. [D-OR-4]	D · OR		Jun 7, 2017
Rep. Cole, Tom [R-OK-4]	R · OK		Jul 24, 2017
Rep. Fitzpatrick, Brian K. [R-PA-8]	R · PA		Aug 15, 2017

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Jan 13, 2017

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

*No related bills are listed.*

## **529 and ABLE Account Improvement Act of 2017**

This bill amends the Internal Revenue Code to modify the tax treatment of qualified tuition programs (known as 529 plans) and ABLE accounts. (Tax-favored ABLE [Achieving a Better Life Experience] accounts are designed to enable individuals with disabilities to save for and pay for disability-related expenses.)

The bill excludes from gross income a fringe benefit consisting of up to \$100 per year (adjusted for inflation after 2017) of employer contributions to an employee's 529 or ABLE account. The employer contribution must be made: (1) to an account for which the designated beneficiary is the employee or a member of the employee's family, and (2) in connection with a payroll deduction contribution program established by the employer.

The bill also: (1) expands the tax credit for small employer pension plan startup costs to include the costs of establishing a payroll deduction contribution program for 529 plans and ABLE accounts, (2) permits 529 funds to be used for education loan payments or charitable contributions without being subject to the additional tax for distributions that are not used for qualified higher education expenses, and (3) permits tax-free rollovers of funds between 529 and ABLE accounts for the benefit of the same beneficiary or a family member of the beneficiary.

For the purpose of current law restrictions on the frequency of investment directions that a beneficiary or contributor may provide for a 529 or ABLE account, rebalancing investments among broad-based investment strategies established under the program is not an investment direction unless the beneficiary or contributor directs the specific investments within the strategies.

### **Actions Timeline**

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- **Jan 13, 2017:** Introduced in House
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