

## S 1581

Universal Savings Account Act of 2025

**Congress:** 119 (2025–2027, Current)

**Chamber:** Senate

**Policy Area:** Taxation

**Introduced:** May 1, 2025

**Current Status:** Read twice and referred to the Committee on Finance.

**Latest Action:** Read twice and referred to the Committee on Finance. (May 1, 2025)

**Official Text:** <https://www.congress.gov/bill/119th-congress/senate-bill/1581>

### Sponsor

**Name:** Sen. Cruz, Ted [R-TX]

**Party:** Republican • **State:** TX • **Chamber:** Senate

### Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Justice, James C. [R-WV]	R · WV		May 8, 2025

### Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	May 1, 2025

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

Bill	Relationship	Last Action
119 HR 3186	Identical bill	<b>May 5, 2025:</b> Referred to the House Committee on Ways and Means.

## **Universal Savings Account Act of 2025**

This bill establishes Universal Savings Accounts, which are tax-advantaged savings accounts that allow contributions up to a certain amount, exempt earnings and distributions from federal income taxes, and allow distributions to be used for any purpose. (Conditions and exceptions apply.)

Specifically, the bill allows cash contributions to a Universal Savings Account of up to \$10,000 in 2025 (maximum base contribution), excluding qualified amounts rolled over from another tax-advantaged account (e.g., individual retirement account). The maximum base contribution amount is increased by \$500 each year beginning in 2026 and adjusted annually for inflation, up to a total maximum contribution of \$25,000 (also adjusted annually for inflation beginning in 2026).

Under the bill, earnings and distributions from a Universal Savings Account are excluded from gross income for federal tax purposes and, thus, are not subject to federal income taxes (similar to the federal tax treatment of distributions from a Roth individual retirement account). (Some exceptions apply.)

Further, distributions from such accounts are not restricted and may be used for any purpose (unlike other types of tax-advantaged accounts currently available).

The bill also imposes

- a federal excise tax on contributions to a Universal Savings Account in excess of the applicable contribution limit,
- a federal excise tax on certain transactions involving a Universal Savings Account and disqualified persons,
- certain reporting requirements on Universal Savings Account trustees, and
- a federal excise tax for failing to meet such reporting requirements.

## **Actions Timeline**

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- **May 1, 2025:** Introduced in Senate
- **May 1, 2025:** Read twice and referred to the Committee on Finance.

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