

114TH CONGRESS
2D SESSION

S. 2703

To amend the Internal Revenue Code of 1986 to allow rollovers between 529 programs and ABLE accounts.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2016

Mr. CASEY (for himself and Mr. BURR) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow rollovers between 529 programs and ABLE accounts.

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 “ABLE Financial Plan-
5 ning Act”.

6 **SEC. 2. ROLLOVERS TO ABLE PROGRAMS FROM 529 PRO-**
7 **GRAMS.**

8 (a) IN GENERAL.—Clause (i) of section 529(c)(3)(C)
9 of the Internal Revenue Code of 1986 is amended by strik-
10 ing “or” at the end of subclause (I), by striking the period

1 at the end of subclause (II) and inserting “, or”, and by
 2 adding at the end the following:

3 “(III) to an ABLE account (as
 4 defined in section 529A(e)(6)) of the
 5 designated beneficiary or a member of
 6 the family of the designated bene-
 7 ficiary.

8 Subclause (III) shall not apply to so much
 9 of a distribution which, when added to all
 10 other contributions made to the ABLE ac-
 11 count for the taxable year, exceeds the lim-
 12 itation under section 529A(b)(2)(B).”.

13 (b) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to distributions after the date of
 15 the enactment of this Act.

16 **SEC. 3. ROLLOVERS TO 529 PROGRAMS FROM ABLE AC-**
 17 **COUNTS.**

18 (a) IN GENERAL.—Clause (i) of section
 19 529A(c)(1)(C) of the Internal Revenue Code of 1986 is
 20 amended—

21 (1) by striking “such payment or distribution,
 22 into another” and inserting “such payment or dis-
 23 tribution—”

24 “(I) into another”,

1 (2) by striking the period at the end and insert-
2 ing “, or”, and

3 (3) by adding at the end the following new
4 clause:

5 “(II) to a qualified tuition pro-
6 gram (as defined in section 529(b))
7 for the benefit of the same designated
8 beneficiary or a member of the family
9 of such designated beneficiary.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to distributions after the date of
12 the enactment of this Act.

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