

107TH CONGRESS
1ST SESSION

H. R. 2381

To amend the Internal Revenue Code of 1986 to provide that distributions from an IRA for higher education expenses are exempt from the 10-percent early distribution tax even after annuitization of account.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. DEAL of Georgia introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that distributions from an IRA for higher education expenses are exempt from the 10-percent early distribution tax even after annuitization of account.

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. TREATMENT OF IRA DISTRIBUTIONS FOR HIGH-**
4 **ER EDUCATION EXPENSES AFTER**
5 **ANNUITIZATION OF ACCOUNT.**

6 (a) IN GENERAL.—Subparagraph (E) of section
7 72(t)(2) of the Internal Revenue Code of 1986 (relating
8 to distributions from individual retirement plans for high-

1 er education expenses) is amended by adding at the end
2 the following new sentence: “The treatment under this
3 sentence shall apply even after the commencement of dis-
4 tributions described in subparagraph (A)(iv) and proper
5 adjustments shall be allowed in subsequent distributions
6 under such subparagraph.”

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to distributions after the date of
9 the enactment of this Act.

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