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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “ABLE Financial Plan-
ing Act”.

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

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

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

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

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

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

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

(1) by striking “such payment or distribution,
into another” and inserting “such payment or dis-

“(I) into another”,

“(I) into another”,
(2) by striking the period at the end and inserting “, or”, and

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

“(II) to a qualified tuition program (as defined in section 529(b)) for the benefit of the same designated beneficiary or a member of the family of such designated beneficiary.”.

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