

116TH CONGRESS
1ST SESSION

H. R. 4795

To amend the Internal Revenue Code of 1986 to provide for employer contributions to ABLE accounts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 2019

Ms. SLOTKIN (for herself and Mr. KELLY of Pennsylvania) 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 for employer contributions to ABLE accounts, and for other purposes.

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 “Saving To Achieve a
5 Better Life Experience Act of 2019” or the “STABLE
6 Act”.

7 **SEC. 2. EMPLOYER CONTRIBUTIONS TO ABLE ACCOUNTS.**

8 (a) IN GENERAL.—Section 106 of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subsection:

1 “(h) CONTRIBUTIONS TO ABLE ACCOUNTS.—Any
 2 amounts contributed by an employee’s employer to any
 3 ABLE account (as defined in section 529A) designated
 4 by the employee, and of which the employee is not a bene-
 5 ficiary, shall be treated as employer-provided coverage for
 6 medical expenses under an accident or health plan to the
 7 extent such amounts do not exceed the lesser of—

8 “(1) the amount such employee contributed
 9 during the taxable year to such ABLE account (as
 10 so defined), or

11 “(2) an amount equal to $\frac{1}{2}$ the amount in ef-
 12 fect under section 529A(b)(2)(B)(I).”.

13 (b) FAILURE OF EMPLOYER TO MAKE COMPARABLE
 14 ABLE ACCOUNT CONTRIBUTIONS.—Chapter 43 of such
 15 Code is amended by adding at the end the following new
 16 section:

17 **“SEC. 4980J. FAILURE OF EMPLOYER TO MAKE COM-**
 18 **PARABLE ABLE ACCOUNT CONTRIBUTIONS.**

19 “(a) IN GENERAL.—In the case of an employer who
 20 on behalf of an employee makes a contribution to which
 21 section 106(h) applies to an ABLE account (as defined
 22 in section 529A), there is hereby imposed a tax on the
 23 failure of such employer to meet the requirements of sub-
 24 section (b) for such calendar year.

1 “(b) RULES AND REQUIREMENTS.—Rules and re-
 2 quirements similar to the rules and requirements of sec-
 3 tion 4980E shall apply for purposes of this section.

4 “(c) REGULATIONS.—The Secretary shall issue regu-
 5 lations to carry out the purposes of this section.”.

6 (c) EXCLUSION FROM EMPLOYMENT TAXES.—

7 (1) RAILROAD RETIREMENT TAX.—Section
 8 3231(e) of such Code is amended by adding at the
 9 end the following new paragraph:

10 “(13) ABLE ACCOUNT CONTRIBUTIONS.—The
 11 term ‘compensation’ shall not include any payment
 12 made on behalf of an employee if at the time of such
 13 payment it is reasonable to believe that the employee
 14 will be able to exclude such payment from income
 15 under section 106(h).”.

16 (2) UNEMPLOYMENT TAX.—Section 3306(b) of
 17 such Code is amended by striking “or” at the end
 18 of paragraph (19), by striking the period at the end
 19 of paragraph (20) and inserting “; or”, and by in-
 20 serting after paragraph (20) the following new para-
 21 graph:

22 “(21) any payment made on behalf of an em-
 23 ployee if at the time of such payment it is reason-
 24 able to believe that the employee will be able to ex-

1 clude such payment from income under section
2 106(h).”.

3 (3) WITHHOLDING TAX.—Section 3401(a) of
4 such Code is amended by striking “or” at the end
5 of paragraph (22), by striking the period at the end
6 of paragraph (23) and inserting “; or”, and by in-
7 serting after paragraph (23) the following new para-
8 graph:

9 “(24) any payment made on behalf of an em-
10 ployee if at the time of such payment it is reason-
11 able to believe that the employee will be able to ex-
12 clude such payment from income under section
13 106(h).”.

14 (4) EMPLOYER CONTRIBUTIONS REQUIRED TO
15 BE SHOWN ON W-2.—Section 6051(a) of such Code
16 is amended by striking “and” at the end of para-
17 graph (11), by striking the period at the end of
18 paragraph (12) and inserting “, and”, and by insert-
19 ing after paragraph (12) the following new para-
20 graph:

21 “(13) the amount contributed to any ABLE ac-
22 count (as defined in section 529A) on behalf of such
23 employee.”.

24 (d) REGULATIONS AND GUIDANCE.—The Secretary
25 of the Treasury shall prescribe such regulations and other

1 guidance as are necessary to carry out the purposes of
2 the amendments made by this Act, including verification
3 by the employer of amounts an employee contributes dur-
4 ing the taxable year to an ABLE account (as defined in
5 section 529A of such Code).

6 (e) CLERICAL AMENDMENT.—The table of sections
7 for chapter 43 of such Code is amended by adding at the
8 end the following new item:

“Sec. 4980J. Failure of employer to make comparable ABLE account contribu-
tions.”.

9 (f) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2019.

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