

117TH CONGRESS
2D SESSION

S. 4400

To amend the Internal Revenue Code of 1986 to allow for special rollovers to Roth IRAs from long-term qualified tuition programs.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2022

Mr. BURR (for himself and Mr. CASEY) 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 for special rollovers to Roth IRAs from long-term qualified tuition programs.

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 “College Savings Recov-
5 ery Act.”

6 **SEC. 2. SPECIAL ROLLOVER TO ROTH IRA FROM LONG-**
7 **TERM QUALIFIED TUITION PROGRAM.**

8 (a) IN GENERAL.—Paragraph (3) of section 529(c)
9 of the Internal Revenue Code of 1986 is amended by add-
10 ing at the end the following new subparagraph:

1 “(E) SPECIAL ROLLOVER TO ROTH IRA
2 FROM LONG-TERM QUALIFIED TUITION PRO-
3 GRAM.—For purposes of this section—

4 “(i) IN GENERAL.—In the case of a
5 distribution from a qualified tuition pro-
6 gram which has been maintained by an ac-
7 count owner in one or more qualified tui-
8 tion programs for the 10-year period end-
9 ing on the date of such distribution—

10 “(I) subparagraph (A) shall not
11 apply to any portion of such distribu-
12 tion which is paid in a direct trustee-
13 to-trustee transfer to a Roth IRA
14 maintained for the benefit of such ac-
15 count owner or the designated bene-
16 ficiary under such qualified tuition
17 program, and

18 “(II) such portion shall be treat-
19 ed as a rollover contribution for pur-
20 poses of section 408A(e).

21 “(ii) LIMITATION.—Clause (i) shall
22 only apply to so much of any distribution
23 as does not exceed the lesser of—

24 “(I) the amount applicable to the
25 account owner or the designated bene-

1 ficiary, as the case may be, under sec-
2 tion 408A(c)(2) for the taxable year
3 (reduced by the amount of aggregate
4 contributions made during the taxable
5 year before the date of such distribu-
6 tion to all individual retirement plans
7 maintained for the benefit of the ac-
8 count owner or designated beneficiary,
9 as the case may be), or

10 “(II) the aggregate amount con-
11 tributed to the program (and earnings
12 attributable thereto) before the 5-year
13 period ending on the date of the dis-
14 tribution.

15 “(iii) ACCOUNT OWNER.—For pur-
16 poses of this subparagraph, the term ‘ac-
17 count owner’ means the individual who es-
18 tablished the qualified tuition program ac-
19 count under applicable State law.”.

20 (b) QUALIFIED ROLLOVER CONTRIBUTION.—Para-
21 graph (1) of section 408A(e) of such Code is amended—

22 (1) by striking the period at the end of sub-
23 paragraph (B) and inserting “, and”,

24 (2) by inserting after subparagraph (B) the fol-
25 lowing new subparagraph:

1 “(C) from a qualified tuition program to
2 the extent provided in section 529(c)(3)(E).”,
3 and

4 (3) by adding at the end the following new sen-
5 tence: “Under regulations established by the Sec-
6 retary, the earnings and contributions of any quali-
7 fied tuition program from which a qualified rollover
8 contribution is made under subparagraph (C) shall
9 be treated in the same manner as the earnings and
10 contributions of a Roth IRA from which a qualified
11 rollover contribution is made under subparagraph
12 (A).”.

13 (c) REPORTING.—Section 529(d) of such Code is
14 amended—

15 (1) by striking “Each officer” and inserting the
16 following:

17 “(1) IN GENERAL.—Each officer”,

18 (2) by striking “by this subsection” and insert-
19 ing “by this paragraph”, and

20 (3) by adding at the end the following new
21 paragraph:

22 “(2) ROLLOVER DISTRIBUTIONS.—In the case
23 of any distribution described in subsection (c)(3)(A),
24 the officer or employee having control of the quali-
25 fied tuition program (or their designee) shall provide

1 a report to the trustee of the Roth IRA to which the
2 distribution is made. Such report shall be filed at
3 such time and in such manner as the Secretary may
4 require and shall include information with respect to
5 the contributions, distributions, and earnings of the
6 qualified tuition program as of the date of the dis-
7 tribution described in subsection (c)(3)(A), together
8 with such other matters as the Secretary may re-
9 quire.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply with respect to distributions after
12 December 31, 2022.

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