

110TH CONGRESS
1ST SESSION

H. R. 2461

To amend the Internal Revenue Code of 1986 to permit distributions from individual retirement plans to be contributed to 529 plans without including the distribution in gross income.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2007

Mr. FRANK of Massachusetts 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 permit distributions from individual retirement plans to be contributed to 529 plans without including the distribution in gross income.

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. CONTRIBUTIONS TO 529 PLANS FROM INDI-**
4 **VIDUAL RETIREMENT PLANS.**

5 (a) IN GENERAL.—Subsection (d) of section 408 of
6 the Internal Revenue Code of 1986 (relating to individual
7 retirement accounts) is amended by adding at the end the
8 following new paragraph:

1 “(9) TRANSFERS TO 529 PLANS.—

2 “(A) IN GENERAL.—Paragraph (1) does
3 not apply to any amount paid or distributed out
4 of an individual retirement account or indi-
5 vidual retirement annuity to the individual for
6 whose benefit the account or annuity is main-
7 tained if such amount is contributed to a quali-
8 fied tuition program (as defined in section
9 529(b)).

10 “(B) LIMITATION.—Subparagraph (A)
11 shall not apply to any payment or distribution
12 if such payment or distribution would result in
13 an excess contribution described in section
14 529(b)(6).

15 “(C) ROLLOVER RULES TO APPLY.—For
16 purposes of subparagraph (A), rules similar to
17 the rules of paragraphs (3) shall apply.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall apply to payments and distributions
20 in taxable years beginning after December 31, 2007.

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