

February 14, 2019

Suggested Technical Changes

H. R. 529 (115th Congress)

IN THE HOUSE OF REPRESENTATIVES
January 13, 2017

Ms. Jenkins of Kansas (for herself and Mr. Kind) 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 make improvements in the rules related to qualified tuition programs and qualified ABLE programs.

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

...

SEC. 5. CLARIFICATION REGARDING INVESTMENT DIRECTION IN QUALIFIED TUITION PROGRAMS AND QUALIFIED ABLE PROGRAMS.

(a) INVESTMENT DIRECTION IN QUALIFIED TUITION PROGRAMS.—Paragraph (4) of section 529(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following: “For purposes of this paragraph, **initial selections and changes to those initial selections** ~~rebalancing investments~~ among broad-based investment options or strategies **designed exclusively by established under** the program **that are made by a contributor to, or designated beneficiary under, such program, shall not be treated as investment direction unless the investment options or strategies or underlying investments within those investment options or strategies are established or directed by a contributor or designated beneficiary instead of the program.”** ~~unless the specific investments within those broad-based strategies are directed by the contributor or designated beneficiary~~

(b) INVESTMENT DIRECTION IN QUALIFIED ABLE PROGRAMS.—Paragraph (4) of section 529A(b) of such Code is amended by adding at the end the following: “For purposes of this paragraph, ~~rebalancing investments~~ **changes in the allocation of account assets** among broad-based investment strategies established under the program shall not be treated as investment direction by a designated beneficiary unless the specific investments within those broad-based strategies are directed by the designated beneficiary.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to calendar years beginning after the date of the enactment of this Act.