

119TH CONGRESS
2D SESSION

H. R. 9801

To amend the Internal Revenue Code of 1986 to provide matching payments for ABLE account contributions by certain individuals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2026

Mrs. DINGELL (for herself and Mr. SCHMIDT) 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 matching payments for ABLE account contributions by certain individuals, 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 “ABLE MATCH (Mak-
5 ing Able a Tool to Combat Hardship) Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) People with disabilities are more than twice
2 as likely to live in poverty than people without dis-
3 abilities.

4 (2) Households containing an adult with a dis-
5 ability that limits their ability to work requires, on
6 average, 28 percent more income to obtain the same
7 standard of living as similar households without a
8 member with a disability.

9 (3) The average income of households that in-
10 clude any working-age people with disabilities is
11 \$30,200 less than the average household income of
12 people without disabilities.

13 (4) The Stephen Beck, Jr., Achieving a Better
14 Life Experience Act of 2014 provided for qualified
15 ABLE programs, which provided eligible people with
16 disabilities the opportunity to open tax-advantaged
17 savings accounts without the risk of losing the bene-
18 fits they need to participate in society.

19 (5) As of September 2025, there were 223,182
20 ABLE accounts open in the United States with an
21 average balance of \$12,863.

22 **SEC. 3. PURPOSES.**

23 The purposes of this Act are—

1 (1) to encourage and assist individuals with dis-
2 abilities with fewer resources to save using ABLE
3 accounts;

4 (2) to increase uptake and continued utilization
5 of ABLE accounts by people with disabilities; and

6 (3) to provide for a Federal match for new and
7 existing ABLE accounts held by individuals with an
8 annual income less than 200 percent of the Federal
9 poverty limit.

10 **SEC. 4. MATCHING PAYMENTS FOR ABLE ACCOUNT CON-**
11 **TRIBUTIONS BY CERTAIN INDIVIDUALS.**

12 (a) IN GENERAL.—Subchapter B of chapter 65 of the
13 Internal Revenue Code of 1986 is amended by inserting
14 after section 6433 the following new section:

15 **“SEC. 6433A. MATCHING PAYMENTS FOR ABLE ACCOUNT**
16 **CONTRIBUTIONS BY CERTAIN INDIVIDUALS.**

17 “(a) IN GENERAL.—

18 “(1) ALLOWANCE OF CREDIT.—Any individual
19 who is the designated beneficiary of an ABLE ac-
20 count as of the last day of the taxable year and who
21 makes qualified ABLE account contributions for
22 such taxable year shall be allowed a credit for such
23 taxable year in an amount equal to the applicable
24 percentage of so much of the qualified ABLE ac-

1 count contributions made by such individual for the
2 taxable year as does not exceed \$2,000.

3 “(2) PAYMENT OF CREDIT.—The credit under
4 this section shall be—

5 “(A) treated as allowed by subpart C of
6 part IV of subchapter A of chapter 1, and

7 “(B) paid by the Secretary as a contribu-
8 tion (as soon as practicable after the individual
9 has filed a tax return making a claim for such
10 credit for the taxable year) to the ABLE ac-
11 count of the individual.

12 “(b) OVERALL LIMITATION.—The amount of the
13 credit allowed under this section with respect to any indi-
14 vidual shall not exceed the excess of—

15 “(1) the amount in effect under section
16 529A(b)(2)(B) for the taxable year, over

17 “(2) the amount of contributions made to the
18 ABLE account of the individual for such taxable
19 year.

20 “(c) APPLICABLE PERCENTAGE.—For purposes of
21 this section—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), the applicable percentage is 100 percent.

24 “(2) PHASEOUT.—The percentage under para-
25 graph (1) shall be reduced (but not below zero) by

1 the number of percentage points which bears the
 2 same ratio to 50 percentage points as—

3 “(A) the excess of—

4 “(i) the taxpayer’s modified adjusted
 5 gross income for the taxable year, over

6 “(ii) the applicable dollar amount,
 7 bears to

8 “(B) \$20,000.

9 If any reduction determined under this paragraph is
 10 not a whole percentage point, such reduction shall be
 11 rounded to the next lowest whole percentage point.

12 “(3) APPLICABLE DOLLAR AMOUNT.—The ap-
 13 plicable dollar amount is—

14 “(A) in the case of a joint return, \$56,000,

15 “(B) in the case of a head of household (as
 16 defined in section 2(b)), $\frac{3}{4}$ of the amount ap-
 17 plicable under subparagraph (A), and

18 “(C) in any other case, $\frac{1}{2}$ of the amount
 19 applicable under subparagraph (A).

20 “(d) QUALIFIED ABLE ACCOUNT CONTRIBU-
 21 TIONS.—For purposes of this section—

22 “(1) IN GENERAL.—The term ‘qualified ABLE
 23 account contributions’ means, with respect to any
 24 taxable year, the amount of contributions made by
 25 the individual to the ABLE account of which such

1 individual is the designated beneficiary. Such term
2 shall not include any amount attributable to a pay-
3 ment under subsection (a)(2).

4 “(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—
5

6 “(A) IN GENERAL.—The qualified ABLE
7 account contributions determined under para-
8 graph (1) for a taxable year shall be reduced
9 (but not below zero) by the aggregate distribu-
10 tions received by the individual during the test-
11 ing period from the ABLE account.

12 “(B) TESTING PERIOD.—For purposes of
13 subparagraph (A), the testing period, with re-
14 spect to a taxable year, is the period which in-
15 cludes—

16 “(i) such taxable year,

17 “(ii) the 2 preceding taxable years,

18 and

19 “(iii) the period after such taxable
20 year and before the due date (including ex-
21 tensions) for filing the return of tax for
22 such taxable year.

23 “(C) EXCEPTED DISTRIBUTIONS.—There
24 shall not be taken into account under subpara-
25 graph (A) the amount of distributions under a

qualified ABLE program (within the meaning of section 529A) that is equal to amounts not included in gross income with respect to such distributions under section 529A(c)(1)(B) (relating to distributions for qualified disability expenses).

“(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

“(e) ABLE ACCOUNT.—For purposes of this section, the term ‘ABLE account’ has the meaning given such term under section 529A.

“(f) OTHER DEFINITIONS AND SPECIAL RULES.—

“(1) MODIFIED ADJUSTED GROSS INCOME.—

For purposes of this section, the term ‘modified adjusted gross income’ means adjusted gross income determined without regard to sections 911, 931, and 933.

1 “(2) ERRONEOUS CREDITS.—

2 “(A) IN GENERAL.—If any contribution is
3 erroneously paid under subsection (a)(2), in-
4 cluding a payment that is not made to an
5 ABLE account, the amount of such erroneous
6 payment shall be treated as an underpayment
7 of tax (other than for purposes of part II of
8 subchapter A of chapter 68) for the taxable
9 year in which the Secretary determines the pay-
10 ment is erroneous.

11 “(B) DISTRIBUTION OF ERRONEOUS CRED-
12 ITS.—In the case of a contribution to which
13 subparagraph (A) applies, section 72 shall not
14 apply to the distribution of such contribution
15 (and any income attributable thereto) if such
16 distribution is received not later than the day
17 prescribed by law (including extensions of time)
18 for filing the individual’s return for such tax-
19 able year.

20 “(3) EXCEPTION FROM REDUCTION OR OFF-
21 SET.—Any payment made to any individual under
22 this section shall not be—

23 “(A) subject to reduction or offset pursu-
24 ant to subsection (c), (d), (e), or (f) of section

1 6402 or any similar authority permitting offset,
2 or

3 “(B) reduced or offset by other assessed
4 Federal taxes that would otherwise be subject
5 to levy or collection.

6 “(g) INFLATION ADJUSTMENTS.—

7 “(1) IN GENERAL.—In the case of any taxable
8 year beginning in a calendar year after 2027, the
9 \$56,000 amount in subsection (c)(3)(A) shall be in-
10 creased by an amount equal to—

11 “(A) such dollar amount, multiplied by

12 “(B) the cost-of-living adjustment deter-
13 mined under section 1(f)(3) for the calendar
14 year in which the taxable year begins, deter-
15 mined by substituting ‘calendar year 2026’ for
16 ‘calendar year 2016’ in subparagraph (A)(ii)
17 thereof.

18 “(2) ROUNDING.—Any increase determined
19 under paragraph (1) shall be rounded to the nearest
20 multiple of \$1,000.”.

21 (b) TREATMENT OF CERTAIN POSSESSIONS.—

22 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
23 CODE TAX SYSTEMS.—The Secretary of the Treas-
24 ury shall pay to each possession of the United States
25 which has a mirror code tax system amounts equal

1 to the loss (if any) to that possession by reason of
2 the amendments made by this section. Such
3 amounts shall be determined by the Secretary of the
4 Treasury based on information provided by the gov-
5 ernment of the respective possession.

6 (2) PAYMENTS TO OTHER POSSESSIONS.—The
7 Secretary of the Treasury shall pay to each posses-
8 sion of the United States which does not have a mir-
9 ror code tax system amounts estimated by the Sec-
10 retary of the Treasury as being equal to the aggre-
11 gate benefits (if any) that would have been provided
12 to residents of such possession by reason of the
13 amendments made by this section if a mirror code
14 tax system had been in effect in such possession.
15 The preceding sentence shall not apply unless the re-
16 spective possession has a plan, which has been ap-
17 proved by the Secretary of the Treasury, under
18 which such possession will promptly distribute such
19 payments to its residents.

20 (3) COORDINATION WITH CREDIT ALLOWED
21 AGAINST UNITED STATES INCOME TAXES.—No cred-
22 it shall be allowed against United States income
23 taxes under section 6433A of the Internal Revenue
24 Code of 1986 (as added by this section) to any per-
25 son—

1 (A) to whom a credit is allowed against
2 taxes imposed by the possession by reason of
3 the amendments made by this section, or

4 (B) who is eligible for a payment under a
5 plan described in paragraph (2).

6 (4) MIRROR CODE TAX SYSTEM.—For purposes
7 of this subsection, the term “mirror code tax sys-
8 tem” means, with respect to any possession of the
9 United States, the income tax system of such posses-
10 sion if the income tax liability of the residents of
11 such possession under such system is determined by
12 reference to the income tax laws of the United
13 States as if such possession were the United States.

14 (5) TREATMENT OF PAYMENTS.—For purposes
15 of section 1324 of title 31, United States Code, pay-
16 ments under this subsection shall be treated in the
17 same manner as a refund due from a credit provi-
18 sion referred to in subsection (b)(2) of such section.

19 (c) DEFICIENCIES.—Section 6211(b)(4) of the Inter-
20 nal Revenue Code of 1986 is amended by striking “and
21 6433” and inserting “6433, and 6433A”.

22 (d) PAYMENT AUTHORITY.—Section 1324(b)(2) of
23 title 31, United States Code, is amended by striking “or
24 6433” and inserting “6433, or 6433A”.

25 (e) CONFORMING AMENDMENTS.—

1 (1) Subpart A of part IV of subchapter A of
 2 chapter 1 of the Internal Revenue Code of 1986 is
 3 amended by striking section 25B (and the item re-
 4 lated to such section in the table of sections for such
 5 subpart).

6 (2) The table of sections for subchapter B of
 7 chapter 65 of such Code is amended by inserting
 8 after the item relating to section 6433 the following
 9 new item:

“Sec. 6433A. Matching payments for ABLE account contributions by certain
 individuals.”.

10 (f) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to taxable years beginning after
 12 December 31, 2026.

13 **SEC. 5. DEMOGRAPHIC REPORTING WITH RESPECT TO**
 14 **ABLE ACCOUNTS.**

15 (a) IN GENERAL.—Section 529A(d)(1) of the Inter-
 16 nal Revenue Code of 1986 is amended by adding at the
 17 end the following new sentence: “In addition to the infor-
 18 mation required under the preceding sentence, each officer
 19 or employee having control of the qualified ABLE pro-
 20 gram of their designee shall include in reports provided
 21 to the Secretary demographic information (including race,
 22 gender, and disability type) relating to the designated
 23 beneficiaries of ABLE accounts under the program.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to reports made after the date of
3 the enactment of this section.

4 **SEC. 6. GRANTS TO PROMOTE USE OF ABLE ACCOUNTS**
5 **AND THE MATCHING CONTRIBUTION CREDIT.**

6 (a) IN GENERAL.—The Secretary of the Treasury (or
7 the Secretary’s delegate) may award grants to States to
8 enable States to promote ABLE accounts (as defined in
9 section 529A(e) of the Internal Revenue Code of 1986)
10 and matching payments for contributions to such accounts
11 (as provided under section 6433A of such Code, as added
12 by this Act).

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
14 authorized to be appropriated to carry out this section
15 \$5,000,000 for each of fiscal years 2027 through 2031.

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