

111TH CONGRESS
2D SESSION

H. R. 5030

To amend the Internal Revenue Code of 1986 to allow distributions from
529 plans for the payment of student loans.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2010

Ms. BEAN (for herself, Mr. KIND, Mrs. HALVORSON, Ms. MARKEY of Colorado, and Mr. NYE) 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 allow distributions from 529 plans for the payment of student loans.

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 Flexi-
5 bility Act of 2010”.

1 **SEC. 2. 529 PLAN DISTRIBUTION FOR STUDENT LOAN PAY-**
 2 **MENTS.**

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

6 “(C) TEMPORARY RULE FOR STUDENT
 7 LOANS.—For purposes of this paragraph, any
 8 interest or principal paid after December 31,
 9 2009, and before January 1, 2015, with respect
 10 to a qualified education loan (as defined in sec-
 11 tion 221) with respect to a designated bene-
 12 ficiary shall be treated as a qualified higher
 13 education expense.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Subparagraph (A) of section 72(t)(7) of
 16 such Code is amended by inserting “determined
 17 without regard to subparagraph (C) thereof” after
 18 “section 529(e)(3)”.

19 (2) Clause (i) of section 530(b)(2)(A) of such
 20 Code is amended by inserting “determined without
 21 regard to subparagraph (C) thereof” after “section
 22 529(e)(3)”.

23 (c) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply to distributions made after Decem-
 25 ber 31, 2009.