

111TH CONGRESS
1ST SESSION

H. R. 532

To amend the Internal Revenue Code of 1986 to modify the annual contribution limit for Coverdell education savings accounts.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2009

Mr. NEUGEBAUER 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 modify the annual contribution limit for Coverdell education savings accounts.

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 “Education Savings
5 Modernization Act of 2009”.

6 **SEC. 2. MODIFICATION OF ANNUAL CONTRIBUTION LIMIT**
7 **FOR COVERDELL EDUCATION SAVINGS AC-**
8 **COUNTS.**

9 (a) INCREASE OF ANNUAL CONTRIBUTION LIMIT.—
10 Subparagraph (A)(iii) of section 530(b)(1) of the Internal

1 Revenue Code of 1986 (defining Coverdell education sav-
 2 ings account) is amended by striking “\$2,000” and insert-
 3 ing “\$4,000”.

4 (b) INFLATION ADJUSTMENT.—Subsection (b) of sec-
 5 tion 530 of such Code (relating to definitions and special
 6 rules) is amended by adding at the end the following new
 7 paragraph:

8 “(5) INFLATION ADJUSTMENT.—In the case of
 9 any taxable year beginning in a calendar year after
 10 2009, the dollar amount contained in paragraph
 11 (1)(A)(iii) shall be increased by an amount equal
 12 to—

13 “(A) such dollar amount, multiplied by

14 “(B) the cost-of-living adjustment deter-
 15 mined under section 1(f)(3) for the calendar
 16 year in which the taxable year begins, deter-
 17 mined by substituting ‘calendar year 2008’ for
 18 ‘calendar year 1992’ in subparagraph (B)
 19 thereof.

20 Any increase determined under the preceding sen-
 21 tence shall be rounded to the nearest multiple of
 22 \$100.”.

23 (c) PROVISIONS MADE PERMANENT.—Title IX of the
 24 Economic Growth and Tax Relief Reconciliation Act of
 25 2001 (relating to sunset of provisions of such Act) shall

1 not apply to the amendments made by sections 401 and
2 402 of such Act.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2008.

○