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114TH CONGRESS
1ST SESSION

S. 243

To amend the Internal Revenue Code of 1986 to increase the contribution limit for Coverdell education savings accounts from $2,000 to $5,000, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 22, 2015

Mrs. FISCHER introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to increase the contribution limit for Coverdell education savings accounts from $2,000 to $5,000, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Allocating for Children's Education Act'' or the ''ACE Act''.

SEC. 2. COVERDELL ACCOUNT CONTRIBUTION LIMITATION INCREASE.

(a) IN GENERAL.—Clause (iii) of section 530(b)(1)(A) of the Internal Revenue Code of 1986 is amended by striking ‘‘$2,000’’ and inserting ‘‘$5,000’’.

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 4973(e)(1) of the Internal Revenue Code of 1986 is amended by striking ‘‘$2,000’’ and inserting ‘‘$5,000’’.

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

SEC. 3. INCLUSION OF ATHLETIC EQUIPMENT IN QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.

(a) IN GENERAL.—Clause (i) of section 530(b)(3)(A) of the Internal Revenue Code of 1986 is amended by striking ‘‘other equipment’’ and inserting ‘‘other equipment (including athletic equipment)’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

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