

119TH CONGRESS
2D SESSION

S. 4492

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 SENATE OF THE UNITED STATES

MAY 12, 2026

Mr. VAN HOLLEN (for himself, Mr. MORAN, Ms. KLOBUCHAR, and Mr. TILLIS) introduced the following bill; which was read twice and referred to the Committee on Finance

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”.

1 **SEC. 2. MATCHING PAYMENTS FOR ABLE ACCOUNT CON-**
 2 **TRIBUTIONS BY CERTAIN INDIVIDUALS.**

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

6 **“SEC. 6433A. MATCHING PAYMENTS FOR ABLE ACCOUNT**
 7 **CONTRIBUTIONS BY CERTAIN INDIVIDUALS.**

8 “(a) IN GENERAL.—

9 “(1) ALLOWANCE OF MATCH.—Any individual
 10 who is the designated beneficiary of an ABLE ac-
 11 count as of the last day of the taxable year and who
 12 makes qualified ABLE account contributions for
 13 such taxable year shall be allowed a matching con-
 14 tribution for such taxable year in an amount equal
 15 to the applicable percentage of so much of the quali-
 16 fied ABLE account contributions made by such indi-
 17 vidual for the taxable year as does not exceed
 18 \$2,000.

19 “(2) PAYMENT OF MATCH.—

20 “(A) IN GENERAL.—Except as provided in
 21 subparagraph (B), the matching contribution
 22 under this section shall be allowed as a credit
 23 which shall be payable by the Secretary as a
 24 contribution (as soon as practicable after the
 25 individual has filed a tax return making a claim

1 for such matching contribution for the taxable
 2 year) to the ABLE account of the individual.

3 “(B) EXCEPTION.—In the case of an indi-
 4 vidual who elects the application of this sub-
 5 paragraph and with respect to whom the
 6 matching contribution determined under para-
 7 graph (1) is greater than zero but less than \$50
 8 for the taxable year, subparagraph (A) shall not
 9 apply and such matching contribution shall be
 10 treated as a credit allowed by subpart C of part
 11 IV of subchapter A of chapter 1.

12 “(b) APPLICABLE PERCENTAGE.—For purposes of
 13 this section—

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

16 “(2) PHASEOUT.—The percentage under para-
 17 graph (1) shall be reduced (but not below zero) by
 18 the number of percentage points which bears the
 19 same ratio to 100 percentage points as—

20 “(A) the excess of—

21 “(i) the taxpayer’s modified adjusted
 22 gross income for such taxable year, over

23 “(ii) the applicable dollar amount,
 24 bears to

25 “(B) \$20,000.

1 If any reduction determined under this paragraph is
 2 not a whole percentage point, such reduction shall be
 3 rounded to the next lowest whole percentage point.

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

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

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

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

12 “(c) QUALIFIED ABLE ACCOUNT CONTRIBU-
 13 TIONS.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified ABLE
 15 account contributions’ means, with respect to any
 16 taxable year, the amount of contributions made by
 17 the individual to the ABLE account of which such
 18 individual is the designated beneficiary. Such term
 19 shall not include any amount attributable to a pay-
 20 ment under subsection (a)(2).

21 “(2) REDUCTION FOR CERTAIN DISTRIBU-
 22 TIONS.—

23 “(A) IN GENERAL.—The qualified ABLE
 24 account contributions determined under para-
 25 graph (1) for a taxable year shall be reduced

(but not below zero) by the aggregate distributions received by the individual during the testing period from the ABLE account.

“(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

“(i) such taxable year,

“(ii) the 2 preceding taxable years,

and

“(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

“(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (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 pur-

1 poses of determining distributions received by
 2 an individual under subparagraph (A) for any
 3 taxable year, any distribution received by the
 4 spouse of such individual shall be treated as re-
 5 ceived by such individual if such individual and
 6 spouse file a joint return for such taxable year
 7 and for the taxable year during which the
 8 spouse receives the distribution.

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

12 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

13 “(1) MODIFIED ADJUSTED GROSS INCOME.—
 14 For purposes of this section, the term ‘modified ad-
 15 justed gross income’ means adjusted gross income
 16 determined without regard to sections 911, 931, and
 17 933.

18 “(2) TREATMENT OF CONTRIBUTIONS.—In the
 19 case of any contribution under subsection (a)(2),
 20 such contribution shall not be taken into account
 21 with respect to the limitation under section
 22 529A(b)(2)(B).

23 “(3) ERRONEOUS CREDITS.—

24 “(A) IN GENERAL.—If any contribution is
 25 erroneously paid under subsection (a)(2), in-

cluding a payment that is not made to an ABLE account, the amount of such erroneous payment shall be treated as an underpayment of tax (other than for purposes of part II of subchapter A of chapter 68) for the taxable year in which the Secretary determines the payment is erroneous.

“(B) DISTRIBUTION OF ERRONEOUS CREDITS.—In the case of a contribution to which subparagraph (A) applies, section 72 shall not apply to the distribution of such contribution (and any income attributable thereto) if such distribution is received not later than the day prescribed by law (including extensions of time) for filing the individual’s return for such taxable year.

“(4) EXCEPTION FROM REDUCTION OR OFFSET.—Any payment made to any individual under this section shall not be—

“(A) subject to reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402 or any similar authority permitting offset, or

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

4 “(5) ELECTION NOT TO HAVE SECTION
 5 APPLY.—A taxpayer may elect not to have this sec-
 6 tion apply for any taxable year.

7 “(f) INFLATION ADJUSTMENTS.—

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

12 “(A) such dollar amount, multiplied by

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

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

22 (b) TREATMENT OF CERTAIN POSSESSIONS.—

23 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
 24 CODE TAX SYSTEMS.—The Secretary of the Treas-
 25 ury shall pay to each possession of the United States

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

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

21 (3) COORDINATION WITH CREDIT ALLOWED
22 AGAINST UNITED STATES INCOME TAXES.—No cred-
23 it shall be allowed against United States income
24 taxes under section 6433A of the Internal Revenue

1 Code of 1986 (as added by this section) to any per-
2 son—

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

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

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

16 (5) TREATMENT OF PAYMENTS.—For purposes
17 of section 1324 of title 31, United States Code, the
18 payments under this subsection shall be treated in
19 the same manner as a refund due from a credit pro-
20 vision referred to in subsection (b)(2) of such sec-
21 tion.

22 (c) COORDINATION WITH SAVERS’ CREDIT.—Section
23 25B(c)(1) of the Internal Revenue Code of 1986 is amend-
24 ed by inserting “and such individual has made an election

1 under section 6433A(e)(5) not to have section 6433A
 2 apply for such taxable year” before the period at the end.

3 (d) DEFICIENCIES.—Section 6211(b)(4) of the Inter-
 4 nal Revenue Code of 1986 is amended by striking “and
 5 6433” and inserting “6433, and 6433A”.

6 (e) PAYMENT AUTHORITY.—Section 1324(b)(2) of
 7 title 31, United States Code, is amended by striking “or
 8 6433” and inserting “6433, or 6433A”.

9 (f) CLERICAL AMENDMENT.—The table of sections
 10 for subchapter B of chapter 65 of the Internal Revenue
 11 Code of 1986 is amended by inserting after the item relat-
 12 ing to section 6433 the following new item:

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

13 (g) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to taxable years beginning after
 15 December 31, 2026.

16 **SEC. 3. DEMOGRAPHIC REPORTING WITH RESPECT TO**
 17 **ABLE ACCOUNTS.**

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

1 gender, and disability type) relating to the designated
2 beneficiaries of ABLE accounts under the program.”.

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

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

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

15 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$5,000,000 for each of fiscal years 2027 through 2030.

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