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The authoritative text is the United States Statutes at Large.**

One Hundred Thirteenth Congress, Session II
Public Law 113-295 — 128 Stat. 4010 (H.R. 5771)
December 19, 2014

AN ACT *To amend the Internal Revenue Code of 1986 to extend certain expiring provisions and make technical corrections, to amend the Internal Revenue Code of 1986 to provide for the tax treatment of ABLE accounts established under State programs for the care of family members with disabilities, and for other purposes.*

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

DIVISION A—TAX INCREASE PREVENTION ACT OF 2014

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This division may be cited as the "Tax Increase Prevention Act of 2014".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

DIVISION A—TAX INCREASE PREVENTION ACT OF 2014
Sec. 1. Short title, etc.
TITLE I—CERTAIN EXPIRING PROVISIONS
Subtitle A—Individual Tax Extenders
Sec. 101. Extension of deduction for certain expenses of elementary and secondary school teachers.
Sec. 102. Extension of exclusion from gross income of discharge of qualified principal residence indebtedness.
Sec. 103. Extension of parity for employer-provided mass transit and parking benefits.
Sec. 104. Extension of mortgage insurance premiums treated as qualified residence interest.
Sec. 105. Extension of deduction of State and local general sales taxes.
Sec. 106. Extension of special rule for contributions of capital gain real property made for conservation purposes.
Sec. 107. Extension of above-the-line deduction for qualified tuition and related expenses.
Sec. 108. Extension of tax-free distributions from individual retirement plans for charitable purposes.
Subtitle B—Business Tax Extenders
Sec. 111. Extension of research credit.
Sec. 112. Extension of temporary minimum low-income housing tax credit rate for non-federally subsidized buildings.
Sec. 113. Extension of military housing allowance exclusion for determining whether a tenant in certain counties is low-income.

[128 Stat. 4011–4062 omitted (52 pages)]

guidance required under section 529A(g) of the Internal Revenue Code of 1986, as added by subsection (a), not later than 6 months after the date of the enactment of this Act.

SEC. 103. TREATMENT OF ABLE ACCOUNTS UNDER CERTAIN FEDERAL PROGRAMS.

(a) ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN OTHER MEANS-TESTED FEDERAL PROGRAMS.—Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for

the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, any amount (including earnings thereon) in the ABLE account (within the meaning of section 529A of the Internal Revenue Code of 1986) of such individual, any contributions to the ABLE account of the individual, and any distribution for qualified disability expenses (as defined in subsection (e)(5) of such section) shall be disregarded for such purpose with respect to any period during which such individual maintains, makes contributions to, or receives distributions from such ABLE account, except that, in the case of the supplemental security income program under title XVI of the Social Security Act—

(1) a distribution for housing expenses (within the meaning of such subsection) shall not be so disregarded, and

(2) in the case of such program, any amount (including such earnings) in such ABLE account shall be considered a resource of the designated beneficiary to the extent that such amount exceeds $100,000.

(b) SUSPENSION OF SSI BENEFITS DURING PERIODS OF EXCESSIVE ACCOUNT FUNDS.—

(1) IN GENERAL.—The benefits of an individual under the supplemental security income program under title XVI of the Social Security Act shall not be terminated, but shall be suspended, by reason of excess resources of the individual attributable to an amount in the ABLE account (within the meaning of section 529A of the Internal Revenue Code of 1986) of the individual not disregarded under subsection (a) of this section.

(2) NO IMPACT ON MEDICAID ELIGIBILITY.—An individual who would be receiving payment of such supplemental security income benefits but for the

application of paragraph (1) shall be treated for purposes of title XIX of the Social Security Act as if the individual continued to be receiving payment of such benefits.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 104. TREATMENT OF ABLE ACCOUNTS IN BANKRUPTCY.

(a) EXCLUSION FROM PROPERTY OF THE ESTATE.—Section 541(b) of the title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting a semicolon and "or"; and

(3) by inserting after paragraph (9) the following:

"(10) funds placed in an account of a qualified ABLE program (as defined in section 529A(b) of the Internal Revenue Code of 1986) not later than 365 days before the date of the filing of the petition in a case under this title, but—

"(A) only if the designated beneficiary of such account was a child, stepchild, grandchild, or stepgrandchild of the debtor for the taxable year for which funds were placed in such account;

"(B) only to the extent that such funds—

"(i) are not pledged or promised to any entity in connection with any extension of credit; and

"(ii) are not excess contributions (as described in section 4973(h) of the Internal Revenue Code of 1986); and

"(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $6,225.".

(b) DEBTOR'S MONTHLY EXPENSES.—Section 707(b)(2)(A)(ii)(II) of title 11, United States Code, is amended by adding at the end "Such monthly expenses may include, if applicable, contributions to an account of a qualified ABLE program to the extent such contributions are not excess contributions (as described in section 4973(h) of the Internal Revenue Code of 1986) and if the designated beneficiary of such account is a child, stepchild, grandchild, or stepgrandchild of the debtor.".

(c) RECORD OF DEBTOR'S INTEREST.—Section 521(c) of title 11, United States Code, is amended by inserting ", an interest in an account in a qualified ABLE program (as defined in section 529A(b) of such Code," after "Internal Revenue Code of 1986)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to cases commenced under title 11, United States Code, on or after the date of the enactment of this Act.

SEC. 105. INVESTMENT DIRECTION RULE FOR 529 PLANS.

(a) AMENDMENTS RELATING TO INVESTMENT DIRECTION RULE FOR 529 PLANS.—

(1) Paragraph (4) of section 529(b) is amended by striking "may not directly or indirectly" and all that follows and inserting "may, directly or indirectly, direct the investment of any contributions to the program (or any earnings thereon) no more than 2 times in any calendar year.".

(2) The heading of paragraph (4) of section 529(b) is amended by striking "NO" and inserting "LIMITED".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2014.

TITLE II—OFFSETS

SEC. 201. CORRECTION TO WORKERS COMPENSATION OFFSET AGE.

(a) RETIREMENT AGE.—Section 224(a) of the Social Security Act (42 U.S.C. 424a(a)) is amended, in the matter preceding paragraph (1), by striking "the age of 65" and inserting "retirement age (as defined in section 216(l)(1))".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any individual who attains 65 years of age on or after the date that is 12 months after the date of the enactment of this Act.

[128 Stat. 4065–4073 omitted (9 pages)]

"(2) ROUNDING.—If any amount adjusted under paragraph (1) is not a multiple of $5, such amount shall be rounded to the next lowest multiple of $5.".

(f) FAILURE TO FILE CORRECT INFORMATION RETURNS.—Section 6721(f)(1) is amended by striking "For each fifth calendar year beginning after 2012" and inserting "In the case of any failure relating to a return required to be filed in a calendar year beginning after 2014".

(g) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—Section 6722(f)(1) is amended by striking "For each fifth calendar year beginning after 2012" and inserting

"In the case of any failure relating to a statement required to be furnished in a calendar year beginning after 2014".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after December 31, 2014.

SEC. 209. INCREASE IN CONTINUOUS LEVY.

(a) IN GENERAL.—Paragraph (3) of section 6331(h) is amended by striking the period at the end and inserting "and by substituting '30 percent' for '15 percent' in the case of any specified payment due to a Medicare provider or supplier under title XVIII of the Social Security Act.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after 180 days after the date of the enactment of this Act.

APPROVED December 19, 2014.