

### **ABLE Accounts**

On December 19, 2014, President Obama signed the “Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014,” otherwise known as the “ABLE Act.” The Act allows individuals with disabilities to benefit from tax-advantaged savings accounts. The legislation was modeled after Section 529 of the Internal Revenue Code, which authorizes the use of Qualified Tuition Programs for qualified higher education expenses, commonly referred to as 529 Plans. States will establish and oversee the ABLE Act program. Similar to a ROTH IRA, contributions to an ABLE account are not tax deductible, but the earnings in the account grow tax-free; and distributions are not taxed if used for “qualified disability expenses.”

Treasury is developing regulations to guide states on information required to open an ABLE account, the documentation needed to prove ABLE account eligibility, details of qualified disability expenses and tax reporting documentation. No accounts can be established until the regulations are drafted and public comments are considered, but it is appropriate for states to consider legislation authorizing creating ABLE accounts.

States will need to pass laws authorizing a state agency to establish an ABLE program. Once authorized, the state agency will likely promulgate rules detailing how the ABLE program will operate. Some states likely will have more detailed rules than others; that was the case with Section 529 plans. The table below lists the current status of legislation introduced in each state to implement the ABLE Act program. If a state does not enact enabling legislation, it could still contract with another state to offer ABLE accounts to eligible individuals with significant disabilities.

STATE	BILL	STATUS (as of 2/20/2015)
<b>Arkansas</b>	HB 1239	2/3 Introduced, 1st and 2nd Readings, to Committee on Revenue and Taxation; 2/13 Amdts 1 and 2 adopted, bill engrossed; 2/25 Amdt 3 adopted, bill engrossed
<b>California</b>	AB 449	2/23 1st Reading; Hearing 3/26
	SB 324	2/23 1st Reading, to Rules for assignment; Hearing 3/26
<b>Connecticut</b>	HB 5099	1/7 To Joint Committee on Public Health; 1/22 Change to Committee on Finance, Revenue And Bonding
	HB 5447	1/15 To Joint Committee on Public Health; 2/2 Change to Committee on Finance, Revenue and Bonding
	HB 5909	1/21 To Joint Committee on Public Health; 2/13 Change to Committee on Finance, Revenue and Bonding
	HB 6738	2/5 To Joint Committee on Public Health; 2/9 to Joint Committee on Program Review and Investigations; Hearing 2/27
	SB 381	1/22 to Joint Committee on Finance, Revenue and Bonding
	SB 581	1/22 to Joint Committee on Finance, Revenue and Bonding
<b>Florida</b>	HB 935	2/23 Filed
	SB 642	2/3 Filed; 2/6 to Committee on Banking and Insurance, Appropriations Subcommittee on Education; 2/17 Passed Banking and Insurance with Substitute, to Appropriations
<b>Illinois</b>	HB 3117	2/25 1st Reading, to Rules
	SB 1383	2/20 to Assignments; 2/25 to State Government and Veterans Affairs
<b>Iowa</b>	SSB 1210	2/23 Filed; Hearing 2/26
<b>Kentucky</b>	HB 460	2/13 Introduced; 2/24 to Health and Welfare
	SB 188	2/13 Introduced; 2/19 to Health and Welfare
<b>Maryland</b>	HB 1105	2/16 1st Reading in House Rules and Executive Nominations

STATE	BILL	STATUS (as of 2/20/2015)
	SB 761	2/16 1st Reading in Senate Rules
<b>Minnesota</b>	HF 161	1/14 Introduced, 1st Reading, to committee; 2/12 Health and Human Services Reform recommend do pass, to Civil Law and Data Practices Committee
	SF 39	1/8 Introduced, 1st Reading, to Health, Human Services and Housing; 2/12 Committee recommends do pass as amended, to Judiciary; 2/19 Committee recommends do pass as amended, to Finance
	SF 303	1/26 Introduced, 1st Reading, to Health, Human Services and Housing
<b>Missouri</b>	SB 174	1/7 Introduced; 2/26 on formal calendar for 3rd Reading
<b>Nebraska</b>	LB 591	1/21 Introduced; 1/23 to Revenue Committee; Hearing scheduled 3/11
<b>New Hampshire</b>	SB 265	2/19 Introduced, to Ways and Means Committee
<b>New Jersey</b>	AB 3956	12/11/2014 Introduced, to Human Services Committee
	SB 2770	2/24 Introduced, to Health, Human Services and Senior Citizens
<b>New Mexico</b>	HB 448	2/16 Introduced
	HB 467	2/16 Introduced
<b>New York</b>	SB 1006	1/8 to Mental Health and Developmental Disabilities Committee
<b>North Dakota</b>	HB 1373	1/19 Introduced; 2/16 Passed House; 2/23 to Senate Finance and Taxation
<b>Oregon</b>	SB 777	2/24 Introduced, 1st Reading
<b>Pennsylvania</b>	HB 444	2/12 to Finance Committee
<b>Rhode Island</b>	HB 5564	2/25 Introduced, to Finance
<b>Tennessee</b>	HB 896	2/19 to Health Subcommittee
	HB 999	2/12 Introduced, to Insurance and Banking Subcommittee
	SB 429	2/9 Introduced; 2/11 to Senate Health and Welfare Committee
	SB 1162	2/12 Introduced; 2/19 to Senate Local Government Committee
<b>Virginia</b>	HB 2306	2/10 Passed House; 2/18 Passed Senate with substitute, to Conference Committee; 2/23 House and Senate adopt Conference Report
	SB 1404	2/3 Passed Senate; 2/13 Passed House; 2/18 to Conference Committee; 2/23 House and Senate adopt Conference Report; 2/25 Passed House and Senate
<b>Washington</b>	HB 2063	2/10 Introduced; 2/18 Hearing; 2/20 Executive Session, substitute bill recommended do pass; Hearing 2/26
	SB 6043	2/19 to Health Care Committee
<b>West Virginia</b>	HB 2902	2/24 to Banking and Insurance Committee