

## 2026 Miscellaneous Tax Bill

From 26-0727 draft 1.6

5825a (d) A distribution, or portion of a distribution, shall be exempt from repayment under subsection (b) of this section if it qualifies as an allowable special rollover to a Roth IRA under 26 U.S.C. § 529(c)(3)(E), provided the distribution is from a higher education investment plan account that has been maintained for not less than 20 years before the distribution was made.

*Drafting suggestion: Move this text up into a new subsection (b)(5), seems a better fit there, better flow:*

5825a (b)(5) A distribution, or portion of a distribution, shall be exempt from repayment under subsection (b) of this section if it qualifies as an allowable special rollover to a Roth IRA under 26 U.S.C. § 529(c)(3)(E), provided the distribution is from an higher education investment plan account that has been maintained for not less than 20 years before the distribution was made.

*Note: This is a drafting suggestion and not an indication of support for or against the proposal (and from a former member of the Committee).*

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