

114TH CONGRESS  
1ST SESSION

# H. R. 701

To amend the Internal Revenue Code of 1986 to expand access to Coverdell education savings accounts.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2015

Mr. WALBERG (for himself and Mr. KILDEE) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to expand access to Coverdell education savings accounts.

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 “Helping Families Save  
5 for Education Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) College costs have increased tremendously  
9 over the past decade. When adjusted for inflation,  
10 the average published price for in-State students at

1 public four-year universities is 42-percent higher  
2 than it was a decade ago and more than twice as  
3 high as it was 20 years ago. The price of private  
4 nonprofit four-year institutions has increased 24  
5 percent during the last 10 years and 66 percent dur-  
6 ing the last 20 years.

7 (2) Federal financial aid for students has also  
8 increased rapidly but failed to mitigate the issues of  
9 rising college costs. Between the 2003–2004 aca-  
10 demic year and the 2013–2014 academic year, the  
11 amount of Federal financial aid in the form of Pell  
12 Grants, Federal student aid, campus based aid, vet-  
13 erans educational benefits, and tax credits increased  
14 from \$73.5 billion to \$164.5 billion or by 124 per-  
15 cent beyond the rate of inflation. The Federal Gov-  
16 ernment’s share of total student aid is 69 percent.

17 (3) Students continue to borrow more than they  
18 can afford. During the 2012–2013 academic year,  
19 approximately 60 percent of students who earned  
20 bachelor’s degrees from the public and private non-  
21 profit institutions at which they began their studies  
22 graduated with debt. These students borrowed an  
23 average of \$27,300, an increase of 13 percent com-  
24 pared to 5 years ago and an increase of 19 percent  
25 compared to 10 years ago.

1 **SEC. 3. EXPANSION OF COVERDELL EDUCATION SAVINGS**  
2 **ACCOUNTS.**

3 (a) INCREASE IN AGE LIMITATION OF BENEFICIARY  
4 AFTER WHICH CONTRIBUTIONS TO ACCOUNT CANNOT  
5 BE MADE.—Section 530(b)(1)(A)(ii) of the Internal Rev-  
6 enue Code of 1986 is amended by striking “age 18” and  
7 inserting “age 22”.

8 (b) INCREASE IN ANNUAL DOLLAR LIMITATION ON  
9 CONTRIBUTIONS TO ACCOUNT.—Section 530(b)(1)(A)(iii)  
10 of such Code is amended by striking “\$2,000” and insert-  
11 ing “\$10,000”.

12 (c) EFFECTIVE DATES.—

13 (1) INCREASE IN AGE LIMITATION.—The  
14 amendments made by subsection (a) shall apply to  
15 contributions made after the date of the enactment  
16 of this Act.

17 (2) INCREASE IN ANNUAL DOLLAR LIMITATION  
18 ON CONTRIBUTIONS.—The amendments made by  
19 subsection (b) shall apply to contributions made in  
20 taxable years ending after the date of the enactment  
21 of this Act.

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