

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to increase the contribution limit for Coverdell education savings accounts from \$2,000 to \$5,000, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

Mrs. FISCHER introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

---

**A BILL**

To amend the Internal Revenue Code of 1986 to increase the contribution limit for Coverdell education savings accounts from \$2,000 to \$5,000, 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 “Allocating for Chil-  
5 dren’s Education Act” or the “ACE Act”.

1 **SEC. 2. COVERDELL ACCOUNT CONTRIBUTION LIMITATION**  
2 **INCREASE.**

3 (a) IN GENERAL.—Clause (iii) of section  
4 530(b)(1)(A) of the Internal Revenue Code of 1986 is  
5 amended by striking “\$2,000” and inserting “\$5,000”.

6 (b) CONFORMING AMENDMENT.—Subparagraph (A)  
7 of section 4973(e)(1) of the Internal Revenue Code of  
8 1986 is amended by striking “\$2,000” and inserting  
9 “\$5,000”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to taxable years beginning after  
12 the date of the enactment of this Act.

13 **SEC. 3. INCLUSION OF ATHLETIC EQUIPMENT IN QUALI-**  
14 **FIED ELEMENTARY AND SECONDARY EDU-**  
15 **CATION EXPENSES.**

16 (a) IN GENERAL.—Clause (i) of section 530(b)(3)(A)  
17 of the Internal Revenue Code of 1986 is amended by strik-  
18 ing “other equipment” and inserting “other equipment  
19 (including athletic equipment)”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 the date of the enactment of this Act.