

MEMO# 30769

July 6, 2017

Draft Letter to IRS Requesting Guidance on Calculation of Earnings for ABLE Accounts

[30769] July 6, 2017 TO: ABLE Act Working Group
Tax Committee

Transfer Agent Advisory Committee RE: Draft Letter to IRS Requesting Guidance on
Calculation of Earnings for ABLE Accounts

Attached for your review is a draft letter to the Internal Revenue Service (“IRS”) requesting guidance on the calculation of earnings on ABLE accounts under Code section 529A. Specifically, the letter requests sub-regulatory guidance for ABLE accounts that would mirror the guidance in Notice 2001-81 that applies to 529 plans. Treasury included finalizing its proposed regulations under 529A on its most recent update to its Priority Guidance Plan.^[1] However, because the finalized regulations may not be issued for a significant amount of time, we are requesting that this change be made through a notice, as it was for 529 plans. Because this change (applying the same earnings calculation rules to 529A accounts and 529 accounts) would reduce regulatory burden, we also plan to include a reference to this letter in ICI’s response to Treasury’s RFI on reducing regulatory burdens (due July 31).^[2]

Please provide any comments on the draft letter to me (202-326-5809 or shannon.salinas@ici.org) no later than the close of business on Friday, July 14, 2017.

Shannon Salinas
Assistant General Counsel

[Attachment](#)

endnotes

^[1] See the first quarter update to the 2016–2017 Priority Guidance Plan dated October 31, 2016. Available at https://www.irs.gov/pub/irs-utl/2016-2017_pgp_1st_quarter_update.pdf.

^[2] See ICI Memorandum No. 30752 dated June 22, 2017. Available at

https://www.ici.org/my_ici/memorandum/memo30752.

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