

**MEMO# 30784**

July 18, 2017

## **ICI Submits Letter to IRS Requesting Guidance on Calculation of Earnings for ABLE Accounts**

[30784] July 18, 2017 TO: ABLE Act Working Group  
Tax Committee

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

The Institute submitted the attached 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 providing that earnings on 529A accounts may be calculated in the same manner as earnings on 529 accounts, as described in Notice 2001-81. IRS could make this change when it finalizes its proposed regulations under 529A, and finalizing these regulations is on Treasury's most recent update to its Priority Guidance Plan.<sup>[1]</sup> However, because the timing of the final regulations is uncertain and because prompt guidance on this issue is needed, we are requesting that this change be made through a notice, as it was for 529 plans.<sup>[2]</sup>

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Assistant General Counsel

[Attachment](#)

### **endnotes**

<sup>[1]</sup> See 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](https://www.irs.gov/pub/irs-utl/2016-2017_pgp_1st_quarter_update.pdf).

<sup>[2]</sup> See IRS Notice 2001-81.