

118TH CONGRESS  
1ST SESSION

# H. R. 1041

To establish American opportunity accounts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2023

Ms. PRESSLEY (for herself, Ms. TLAIB, Mrs. WATSON COLEMAN, Mrs. BEATTY, Mr. AUCHINCLOSS, Mr. CARTER of Louisiana, Ms. LEE of California, Ms. JAYAPAL, Mr. BOWMAN, Ms. NORTON, Mr. DAVIS of Illinois, Mr. EVANS, Mr. BLUMENAUER, Ms. OMAR, Mr. MOULTON, Ms. MENG, Mr. LARSON of Connecticut, Mr. CARSON, Mr. THOMPSON of Mississippi, Mr. CLEAVER, Ms. CLARKE of New York, Ms. DELAURO, Ms. SCHAKOWSKY, Ms. JACOBS, Ms. BUSH, Ms. CROCKETT, Mr. COURTNEY, Ms. BARRAGÁN, Mr. CASAR, Ms. OCASIO-CORTEZ, and Ms. LEE of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To establish American opportunity accounts, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “American Opportunity Accounts Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. American Opportunity Fund.
- Sec. 4. AO accounts.
- Sec. 5. Assignment, alienation, and treatment of deceased individuals.
- Sec. 6. Rules governing AO accounts relating to investment, accounting, and reporting.
- Sec. 7. American Opportunity Fund Board.
- Sec. 8. Fiduciary responsibilities.
- Sec. 9. Accounts disregarded in determining eligibility for Federal benefits.
- Sec. 10. Reports.
- Sec. 11. Programs for promoting financial capability.
- Sec. 12. Tax treatment.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this title—

3 (1) AMERICAN OPPORTUNITY FUND.—The term  
4 “American Opportunity Fund” means the fund es-  
5 tablished under section 3.

6 (2) AO ACCOUNT.—The term “AO account”  
7 means an American opportunity account established  
8 under section 4.

9 (3) SECRETARY.—The term “Secretary” means  
10 the Secretary of the Treasury or the Secretary’s del-  
11 egate.

12 (4) AMERICAN OPPORTUNITY FUND BOARD.—  
13 The term “American Opportunity Fund Board”  
14 means the board established pursuant to section 7.

15 (5) EXECUTIVE DIRECTOR.—The term “Execu-  
16 tive Director” means the executive director ap-  
17 pointed pursuant to section 7.

1 **SEC. 3. AMERICAN OPPORTUNITY FUND.**

2 (a) ESTABLISHMENT.—There is established in the  
3 Treasury of the United States a fund to be known as the  
4 “American Opportunity Fund”.

5 (b) AMOUNTS HELD BY FUND.—The American Op-  
6 portunity Fund shall consist of the sum of all amounts  
7 paid into the Fund under this Act, increased by the total  
8 net earnings from investments of sums held in the Fund  
9 or reduced by the total net losses from investments of  
10 sums held in the Fund, and reduced by the total amount  
11 of payments made from the Fund (including payments for  
12 administrative expenses).

13 (c) USE OF FUND.—

14 (1) IN GENERAL.—The sums in the American  
15 Opportunity Fund shall be appropriated and shall  
16 remain available without fiscal year limitation—

17 (A) to make contributions to AO accounts;

18 (B) to invest under section 6;

19 (C) to make distributions in accordance  
20 with this Act;

21 (D) to pay the administrative expenses of  
22 carrying out this Act; and

23 (E) to purchase insurance as provided in  
24 section 8(c)(2).

25 (2) EXCLUSIVE PURPOSES.—The sums in the  
26 American Opportunity Fund shall not be appro-

1        priated for any purpose other than the purposes  
2        specified in this section and may not be used for any  
3        other purpose.

4        (d) TRANSFERS TO AMERICAN OPPORTUNITY  
5 FUND.—The Secretary shall make transfers from the gen-  
6 eral fund of the Treasury to the American Opportunity  
7 Fund as follows:

8            (1) INITIAL CONTRIBUTION FOR ELIGIBLE INDI-  
9        VIDUALS BORN AFTER DECEMBER 31, 2023.—Upon  
10       receipt of a certification under section 4(b)(2) with  
11       respect to an individual born after December 31,  
12       2023, the Secretary shall transfer \$1,000 to the AO  
13       account of the individual.

14            (2) ANNUAL CONTRIBUTIONS.—

15            (A) IN GENERAL.—Each year which occurs  
16        after the year in which an AO account is estab-  
17        lished for an eligible individual and before the  
18        year the eligible individual attains the age of  
19        18, the Secretary shall transfer the annual con-  
20        tribution amount to the AO account of the indi-  
21        vidual.

22            (B) ANNUAL CONTRIBUTION AMOUNT.—  
23        The annual contribution amount shall be the  
24        amount such that the annual contribution  
25        amount for any taxpayer whose household in-

1           come is within an income tier specified in the  
 2           following table shall decrease, on a sliding scale  
 3           in a linear manner, from the initial amount to  
 4           the final amount specified in such table for  
 5           such income tier:

In the case of household income (expressed as a percent of the poverty line) within the following income tier:	The initial amount is—	The final amount is—
Up to 100 percent .....	\$2,000	\$2,000
100 percent up to 125 percent .....	2,000	1,500
125 percent up to 175 percent .....	1,500	1,000
175 percent up to 225 percent .....	1,000	500
225 percent up to 325 percent .....	500	250
325 percent up to 500 percent .....	250	0
500 percent or more .....	0	0.

6           (C) APPLICABLE HOUSEHOLD INCOME;  
 7           POVERTY LINE.—For purposes of this para-  
 8           graph—

9           (i) APPLICABLE HOUSEHOLD IN-  
 10          COME.—The term “applicable household  
 11          income” means household income (as de-  
 12          fined in section 36B(d) of the Internal  
 13          Revenue Code of 1986), except that—

14                 (I) with respect to any calendar  
 15                 year, the Secretary shall use the in-  
 16                 come of the second calendar year pre-  
 17                 ceding the calendar year for which the  
 18                 contribution relates; and

1 (II) in determining household in-  
2 come the Secretary shall aggregate  
3 the income of married individuals fil-  
4 ing separate tax returns.

5 (ii) SPECIAL RULE FOR INDIVIDUALS  
6 NOT FILING RETURNS.—

7 (I) IN GENERAL.—In the case of  
8 any taxpayer who was not required to  
9 file a return of tax for the tax im-  
10 posed by section 1 for the taxable  
11 year described in clause (i)(I) or for  
12 whom the information described in  
13 clause (i) is not available for such  
14 year, such taxpayer shall be treated as  
15 a taxpayer with a household income  
16 which is less than 100 percent of the  
17 poverty line.

18 (II) USE OF OTHER DATA.—Sub-  
19 clause (I) shall not apply if the Sec-  
20 retary determines, based on such  
21 other information from any agency of  
22 the United States as the Secretary de-  
23 termines is reliable, that the tax-  
24 payer's household income for such

1                   year is 100 percent of the poverty line  
2                   or greater.

3                   (iii) POVERTY LINE.—The term “pov-  
4                   erty line” has the meaning given such term  
5                   under section 36B(d) of the Internal Rev-  
6                   enue Code of 1986.

7                   (D) AUTHORITY TO PROVIDE TAX INFOR-  
8                   MATION.—

9                   (i) IN GENERAL.—Section 6103(l) of  
10                  the Internal Revenue Code of 1986 is  
11                  amended by adding at the end the fol-  
12                  lowing new paragraph:

13                 “(23) DISCLOSURE OF RETURN INFORMATION  
14                 TO CARRY OUT ELIGIBILITY REQUIREMENTS FOR  
15                 CERTAIN PROGRAMS.—

16                 “(A) IN GENERAL.—The Secretary shall  
17                 disclose to officers and employees of the De-  
18                 partment of the Treasury or the American Op-  
19                 portunity Fund Board return information of  
20                 any taxpayer whose income is relevant in deter-  
21                 mining any annual contribution to an American  
22                 Opportunity Account under section 3 of the  
23                 American Opportunity Accounts Act. Such re-  
24                 turn information shall be limited to—

1           “(i) taxpayer identity information  
2 with respect to such taxpayer,

3           “(ii) the filing status of such tax-  
4 payer,

5           “(iii) the number of individuals for  
6 whom a deduction is allowed under section  
7 151 with respect to the taxpayer (including  
8 the taxpayer and the taxpayer’s spouse),

9           “(iv) the modified adjusted gross in-  
10 come (as defined in section 36B) of such  
11 taxpayer, of any spouse of such taxpayer  
12 who filed a separate return, and of each of  
13 the other individuals included under clause  
14 (iii) who are required to file a return of tax  
15 imposed by chapter 1 for the taxable year,

16           “(v) such other information as is pre-  
17 scribed by the Secretary by regulation as  
18 might indicate whether the taxpayer is eli-  
19 gible for such an annual contribution (and  
20 the amount thereof), and

21           “(vi) the taxable year with respect to  
22 which the preceding information relates or,  
23 if applicable, the fact that such informa-  
24 tion is not available.



1           “(B) RESTRICTION ON USE OF DISCLOSED  
2 INFORMATION.—Return information disclosed  
3 under subparagraph (A) may be used by offi-  
4 cers and employees of the Department of the  
5 Treasury or the American Opportunity Fund  
6 Board for the purposes of, and to the extent  
7 necessary in establishing eligibility for, and  
8 verifying the appropriate amount of, any annual  
9 contribution described in subparagraph (A).”.

10           (ii) PROCEDURES AND RECORD-  
11 KEEPING RELATED TO DISCLOSURES.—  
12 Paragraph (4) of section 6103(p) of such  
13 Code is amended by striking “or (22)”  
14 each place it appears and inserting “(22),  
15 or (23)”.

16           (E) STUDY ON INCORPORATION OF OTHER  
17 WEALTH FACTORS.—Not later than 2 years  
18 after the date of the enactment of this Act, the  
19 Comptroller General shall submit to Congress  
20 and the Secretary of the Treasury a report on  
21 the feasibility and distributive impacts of a new  
22 measure for determining the amount of the an-  
23 nual contribution amount under this paragraph  
24 based on family wealth, total assets, and overall  
25 net worth. Such measure may—

1 (i) include financial assets, the value  
2 of family home, retirement accounts, busi-  
3 ness and entrepreneurial ventures, poten-  
4 tial future inheritances, and any other as-  
5 sets or debts; and

6 (ii) continue to factor in current or  
7 past income to the extent such information  
8 is useful in estimating overall household  
9 wealth.

10 (3) ADJUSTMENT FOR INFLATION.—

11 (A) IN GENERAL.—For each calendar year  
12 beginning after 2024, each of the dollar  
13 amounts under paragraphs (1) and (2)(B)(i)  
14 shall be increased by such dollar amount multi-  
15 plied by the cost-of-living adjustment deter-  
16 mined under section 1(f)(3) of the Internal  
17 Revenue Code of 1986 determined by sub-  
18 stituting “calendar year 2023” for “calendar  
19 year 2016” in subparagraph (A)(ii) thereof.

20 (B) ROUNDING.—If any amount adjusted  
21 under paragraph (1) is not a multiple of \$50,  
22 such amount shall be rounded to the next low-  
23 est multiple of \$50.

24 (e) PROHIBITION ON USE OF PAYROLL TAXES TO  
25 FUND AO ACCOUNTS.—The American Opportunity Fund

1 and AO accounts are wholly separate and unique from the  
2 Social Security system. No amount from any tax on em-  
3 ployment may be contributed to the American Opportunity  
4 Fund or AO accounts.

5 **SEC. 4. AO ACCOUNTS.**

6 (a) IN GENERAL.—

7 (1) ESTABLISHMENT.—The Executive Director  
8 shall establish in the American Opportunity Fund an  
9 account (to be known as an “American Opportunity  
10 account” or an “AO account”) for each eligible indi-  
11 vidual certified under subsection (b). Each such ac-  
12 count shall be identified to its account holder by  
13 means of a unique personal identifier currently rec-  
14 ognized by the Internal Revenue Service and shall  
15 remain in the American Opportunity Fund.

16 (2) ACCOUNT BALANCE.—The balance in an ac-  
17 count holder’s AO account at any time is the excess  
18 of—

19 (A) the sum of—

20 (i) all deposits made into the Amer-  
21 ican Opportunity Fund and credited to the  
22 account under paragraph (3); and

23 (ii) the total amount of allocations  
24 made to and reductions made in the ac-  
25 count pursuant to paragraph (4); over

1 (B) the amounts paid out of the account  
2 with respect to such individual under subsection  
3 (c).

4 (3) CREDITING OF CONTRIBUTIONS.—Pursuant  
5 to regulations which shall be prescribed by the Exec-  
6 utive Director, the Executive Director shall credit to  
7 each AO account the amounts paid into the Amer-  
8 ican Opportunity Fund under section 3(d) which are  
9 attributable to the account holder of such account.

10 (4) ALLOCATION OF EARNINGS AND LOSSES.—  
11 The Executive Director shall allocate to each AO ac-  
12 count an amount equal to the net earnings and net  
13 losses from each investment of sums in the Amer-  
14 ican Opportunity Fund which are attributable, on a  
15 pro rata basis, to sums credited to such account, re-  
16 duced by an appropriate share of the administrative  
17 expenses paid out of the net earnings, as determined  
18 by the Executive Director.

19 (b) ELIGIBLE INDIVIDUAL.—For purposes of this  
20 title—

21 (1) IN GENERAL.—The term “eligible indi-  
22 vidual” means any individual who—

23 (A) was born after December 31, 2005;

24 (B) has not yet attained the age of 18  
25 years; and

1 (C) has a valid, unique, Federal Govern-  
2 ment issued identification number recognized by  
3 the Internal Revenue Service.

4 (2) CERTIFICATION OF ACCOUNT HOLDERS.—

5 (A) AUTOMATIC CERTIFICATION FOR CER-  
6 TAIN INDIVIDUALS BORN AFTER DECEMBER 31,  
7 2023.—On any date after December 31, 2023,  
8 on which an eligible individual is issued a social  
9 security account number under section  
10 203(c)(2) of the Social Security Act, the Com-  
11 missioner of Social Security shall certify to the  
12 Executive Director and the Secretary of the  
13 Treasury the name of, and social security num-  
14 ber issued to, such eligible individual.

15 (B) OTHER INDIVIDUALS.—In the case of  
16 an eligible individual who is not certified under  
17 subparagraph (A), such individual may request  
18 the establishment an AO account under this  
19 subparagraph by application to the Executive  
20 Director, and the Executive Director shall cer-  
21 tify such individual under this subparagraph.

22 (c) RESTRICTIONS ON DISTRIBUTIONS.—

23 (1) AGE-RELATED RESTRICTIONS.—

24 (A) IN GENERAL.—Except as otherwise  
25 provided in this paragraph, no amount may be

1 distributed from an AO account before the date  
2 on which the account holder attains the age of  
3 18.

4 (B) HIGHER EDUCATION EXPENSES.—  
5 Subparagraph (A) shall not apply to amounts  
6 paid for qualified tuition and related expenses  
7 (as defined in section 25A(f)(1) of the Internal  
8 Revenue Code of 1986) of the account holder if  
9 the account holder is an eligible student (as de-  
10 fined in section 25A(b)(3) of such Code) with  
11 respect to such expenses.

12 (C) AUTHORITY TO PROVIDE HIGHER AGE  
13 LIMIT FOR CERTAIN DISTRIBUTIONS.—The Sec-  
14 retary, in consultation with the American Op-  
15 portunity Fund Advisory Board, may by regula-  
16 tions provide for a higher age limitation with  
17 respects to distributions relating to certain cat-  
18 egories of qualified expenses if the Secretary de-  
19 termines that such higher age limitation is ap-  
20 propriate.

21 (2) USE-RELATED RESTRICTIONS.—

22 (A) IN GENERAL.—No amount may be dis-  
23 tributed from an AO account unless the account  
24 holder establishes, under rules established by  
25 the Executive Director in consultation with the

1 American Opportunity Fund Advisory Board,  
2 that such amount shall be used for a qualified  
3 expense.

4 (B) QUALIFIED EXPENSE.—For purposes  
5 of this subsection—

6 (i) IN GENERAL.—The term “qualified  
7 expense” means expenses for any of the  
8 following:

9 (I) Education of the account  
10 holder at—

11 (aa) an institution of higher  
12 education (as defined in section  
13 101 of the Higher Education Act  
14 of 1965 (20 U.S.C. 1001)); or

15 (bb) an area career and  
16 technical education school (as de-  
17 fined in section 3 of the Carl D.  
18 Perkins Career and Technical  
19 Education Act of 2006 (20  
20 U.S.C. 2302)).

21 (II) Ownership of a home by the  
22 account holder.

23 (III) Any expenses paid or in-  
24 curred on or after the date on which  
25 the account holder attains age 59½.

1 (IV) Any other investment in fi-  
2 nancial assets or personal capital that  
3 provides long-term gains to wages and  
4 wealth, as established under regula-  
5 tions promulgated by the Secretary, in  
6 consultation with the Executive Direc-  
7 tor and the American Opportunity  
8 Fund Advisory Board.

9 (ii) EXCEPTION.—Such term shall not  
10 include any expense described in clause (i)  
11 which is paid to a person who does not  
12 meet such standards as are prescribed by  
13 the Secretary, in consultation with the Ex-  
14 ecutive Director and the American Oppor-  
15 tunity Fund Advisory Board.

16 (3) AMERICAN OPPORTUNITY ACCOUNT ADVI-  
17 SORY BOARD.—For purposes of this subsection, the  
18 term “American Opportunity Fund Advisory Board”  
19 means an advisory board established by the Sec-  
20 retary consisting of individuals with expertise in sav-  
21 ings and asset-building, home financing, education  
22 financing, consumer financial protection, and such  
23 other areas as the Secretary may determine appro-  
24 priate.



1 **SEC. 5. ASSIGNMENT, ALIENATION, AND TREATMENT OF**  
2 **DECEASED INDIVIDUALS.**

3 (a) **ASSIGNMENT AND ALIENATION.**—Under regula-  
4 tions which shall be prescribed by the Executive Director,  
5 rules relating to assignment and alienation applicable  
6 under chapter 84 of title 5, United States Code, with re-  
7 spect to amounts held in accounts in the Thrift Savings  
8 Fund shall apply with respect to amounts held in AO ac-  
9 counts in the American Opportunity Fund.

10 (b) **TREATMENT OF ACCOUNTS OF DECEASED INDI-**  
11 **VIDUALS.**—In the case of a deceased account holder of an  
12 AO account which has an account balance greater than  
13 zero, upon receipt of notification of such individual's  
14 death, the Executive Director shall close the account and  
15 shall transfer the balance in such account to the AO ac-  
16 count of such account holder's surviving spouse or, if there  
17 is no such account of a surviving spouse, to the duly ap-  
18 pointed legal representative of the estate of the deceased  
19 account holder, or if there is no such representative, to  
20 the person or persons determined to be entitled thereto  
21 under the laws of the domicile of the deceased account  
22 holder.

23 **SEC. 6. RULES GOVERNING AO ACCOUNTS RELATING TO IN-**  
24 **VESTMENT, ACCOUNTING, AND REPORTING.**

25 (a) **INVESTMENT PROGRAM.**—

1           (1) IN GENERAL.—The American Opportunity  
2 Fund Board shall invest amounts in the American  
3 Opportunity Fund in securities of the United States  
4 Government issued as provided in paragraph (2).

5           (2) SECURITIES.—

6           (A) IN GENERAL.—The Secretary of the  
7 Treasury is authorized to issue special interest-  
8 bearing obligations of the United States for  
9 purchase by the American Opportunity Fund.

10          (B) INVESTMENT.—

11           (i) Obligations issued for the purpose  
12 of this paragraph shall have maturities  
13 fixed with due regard to the needs of the  
14 American Opportunity Fund as determined  
15 by the Executive Director, and shall bear  
16 interest at a rate equal to the average mar-  
17 ket yield (computed by the Secretary of the  
18 Treasury on the basis of market quotations  
19 as of the end of the calendar month next  
20 preceding the date of issue of such obliga-  
21 tions) on all marketable interest-bearing  
22 obligations of the United States then form-  
23 ing a part of the public debt which are not  
24 due or callable earlier than 10 years after  
25 the end of such calendar month.

1                   (ii) Any average market yield com-  
2                   puted under clause (i) which is not a mul-  
3                   tiple of one-eighth of 1 percent, shall be  
4                   rounded to the nearest multiple of one-  
5                   eighth of 1 percent.

6                   (b) INDEPENDENT PUBLIC ACCOUNTANT.—

7                   (1) IN GENERAL.—Under regulations which  
8                   shall be prescribed by the Executive Director, and  
9                   subject to the provisions of this title, section 8439(b)  
10                  of title 5, United States Code (relating to engage-  
11                  ment of independent qualified public accountant),  
12                  shall apply with respect to the American Oppor-  
13                  tunity Fund and accounts maintained in such Fund  
14                  in the same manner and to the same extent as such  
15                  section relates to the Thrift Savings Fund and the  
16                  accounts maintained in the Thrift Savings Fund.

17                  (2) APPLICATION RULES.—For purposes of  
18                  paragraph (1), references in such section 8439(b) to  
19                  an employee, Member, former employee, or former  
20                  Member shall be deemed references to an account  
21                  holder of an AO account in the American Oppor-  
22                  tunity Fund.

23                  (c) CONFIDENTIALITY AND DISCLOSURE.—

24                  (1) IN GENERAL.—Except as otherwise author-  
25                  ized by Federal law, the American Opportunity

1 Fund Board, the Executive Director, and any em-  
2 ployee of the American Opportunity Fund Board  
3 shall not disclose information with respect to the  
4 American Opportunity Fund or any account main-  
5 tained in such Fund.

6 (2) DISCLOSURE TO DESIGNEE OF BENE-  
7 FICIARY.—The Executive Director may, subject to  
8 such requirements and conditions as he may pre-  
9 scribe by regulations, disclose such information with  
10 respect to the AO account of the beneficiary to such  
11 person or persons as the beneficiary may designate  
12 in a request for or consent to such disclosure, or to  
13 any other person at the beneficiary's request to the  
14 extent necessary to comply with a request for infor-  
15 mation or assistance made by the beneficiary to such  
16 other person.

17 **SEC. 7. AMERICAN OPPORTUNITY FUND BOARD.**

18 (a) IN GENERAL.—There is established in the execu-  
19 tive branch of the Government an American Opportunity  
20 Fund Board.

21 (b) COMPOSITION, DUTIES, AND RESPONSIBIL-  
22 ITIES.—Subject to the provisions of this title, the following  
23 provisions shall apply with respect to the American Oppor-  
24 tunity Fund Board in the same manner and to the same

1 extent as such provisions relate to the Federal Retirement  
2 Thrift Investment Board:

3 (1) Section 8472 of title 5, United States Code  
4 (relating to composition of Federal Retirement  
5 Thrift Investment Board).

6 (2) Section 8474 of such title (relating to Exec-  
7 utive Director).

8 (3) Section 8476 of such title (relating to ad-  
9 ministrative provisions).

10 **SEC. 8. FIDUCIARY RESPONSIBILITIES.**

11 (a) IN GENERAL.—Under regulations of the Sec-  
12 retary of Labor, the provisions of sections 8477 and 8478  
13 of title 5, United States Code, shall apply in connection  
14 with the American Opportunity Fund and the accounts  
15 maintained in such Fund in the same manner and to the  
16 same extent as such provisions apply in connection with  
17 the Thrift Savings Fund and the accounts maintained in  
18 the Thrift Savings Fund.

19 (b) INVESTIGATIVE AUTHORITY.—Any authority  
20 available to the Secretary of Labor under section 504 of  
21 the Employee Retirement Income Security Act of 1974  
22 (29 U.S.C. 1134) is hereby made available to the Sec-  
23 retary of Labor, and any officer designated by the Sec-  
24 retary of Labor, to determine whether any person has vio-

1 lated, or is about to violate, any provision applicable under  
2 subsection (a).

3 (c) EXCULPATORY PROVISIONS; INSURANCE.—

4 (1) IN GENERAL.—Any provision in an agree-  
5 ment or instrument which purports to relieve a fidu-  
6 ciary from responsibility or liability for any responsi-  
7 bility, obligation, or duty under this title shall be  
8 void.

9 (2) INSURANCE.—Amounts in the American  
10 Opportunity Fund available for administrative ex-  
11 penses shall be available and may be used at the dis-  
12 cretion of the Executive Director to purchase insur-  
13 ance to cover potential liability of persons who serve  
14 in a fiduciary capacity with respect to the Fund and  
15 accounts maintained therein, without regard to  
16 whether a policy of insurance permits recourse by  
17 the insurer against the fiduciary in the case of a  
18 breach of a fiduciary obligation.

19 **SEC. 9. ACCOUNTS DISREGARDED IN DETERMINING ELIGI-**  
20 **BILITY FOR FEDERAL BENEFITS.**

21 Amounts in any AO account shall not be taken into  
22 account in determining any individual's or household's fi-  
23 nancial eligibility for, or amount of, any benefit or service,  
24 paid for in whole or in part with Federal funds, including  
25 student financial aid.

1 **SEC. 10. REPORTS.**

2 (a) **REPORTS TO CONGRESS.**—The Executive Direc-  
3 tor, in consultation with the Secretary, shall annually  
4 transmit a written report to the Congress. Such report  
5 shall include—

6 (1) a detailed description of the status and op-  
7 eration of the American Opportunity Fund and the  
8 management of the AO accounts; and

9 (2) a detailed accounting of the administrative  
10 expenses in carrying out this title, including the  
11 ratio of such administrative expenses to the balance  
12 of the American Opportunity Fund and the method-  
13 ology adopted by the Executive Director for allo-  
14 cating such expenses among the AO accounts.

15 (b) **REPORTS TO ACCOUNT HOLDERS.**—The Amer-  
16 ican Opportunity Fund Board shall prescribe regulations  
17 under which each individual for whom an AO account is  
18 maintained shall be furnished with an annual statement  
19 relating to the individual's account, which shall include—

20 (1) a statement of the balance of individual's  
21 AO account;

22 (2) a projection of the account's growth by the  
23 time the individual attains the age of 18; and

24 (3) such other information as the Secretary  
25 deems relevant.

1 **SEC. 11. PROGRAMS FOR PROMOTING FINANCIAL CAPA-**  
 2 **BILITY.**

3 The Secretary of the Treasury, in coordination with  
 4 the Financial Literacy and Education Commission, shall  
 5 develop programs to promote the financial capability of  
 6 account holders of AO accounts.

7 **SEC. 12. TAX TREATMENT.**

8 (a) CONTRIBUTIONS AND DISTRIBUTIONS.—Part III  
 9 of subchapter B of chapter 1 of the Internal Revenue Code  
 10 of 1986 is amended by inserting after section 139I the  
 11 following new section:

12 **“SEC. 139J. CONTRIBUTIONS TO AND DISTRIBUTIONS FROM**  
 13 **AO ACCOUNTS.**

14 “Gross income shall not include—

15 “(1) any contribution credited to the AO ac-  
 16 count of the taxpayer under section 4(a)(3) of the  
 17 American Opportunity Accounts Act, and

18 “(2) any distribution from such an AO ac-  
 19 count.”.

20 (b) TAX TREATMENT OF EARNINGS AND DISTRIBU-  
 21 TIONS.—Subchapter F of chapter 1 of the Internal Rev-  
 22 enue Code of 1986 is amended by adding at the end the  
 23 following new part:

24 **“PART IX—AMERICAN OPPORTUNITY FUND AND**  
 25 **AO ACCOUNTS**

“Sec. 530A. American Opportunity Fund and AO accounts.



1 **“SEC. 530A. AMERICAN OPPORTUNITY FUND AND AO AC-**  
2 **COUNTS.**

3 “(a) GENERAL RULE.—The American Opportunity  
4 Fund and AO accounts shall be exempt from taxation  
5 under this subtitle. Notwithstanding the preceding sen-  
6 tence, a AO account shall be subject to the taxes imposed  
7 by section 511 (relating to imposition of tax on unrelated  
8 business income of charitable organizations).

9 “(b) DEFINITIONS.—For purposes of this section, the  
10 terms ‘American Opportunity Fund’ and ‘AO account’  
11 have the meanings given such terms under the American  
12 Opportunity Accounts Act.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) The table of sections for part III of sub-  
15 chapter B of chapter 1 of the Internal Revenue Code  
16 of 1986 is amended by inserting after the item re-  
17 lated to section 139I the following new item:

“Sec. 139J. Contributions to and distributions from AO accounts.”.

18 (2) The table of parts for subchapter F of  
19 chapter 1 of such Code is amended by adding at the  
20 end the following new item:

“PART IX—AMERICAN OPPORTUNITY FUND AND AO ACCOUNTS”.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2023.

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