

Expanding 529 Plan Usage

To cosponsor H.R. 1151, contact Andrew Maloney in Rep. Rob Wittman's office at Andrew.Maloney@mail.house.gov or Ian Haimowitz in Rep. Steven Horsford's office at Ian.Haimowitz@mail.house.gov.

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Background

Reversing a growing talent shortage in the accounting profession will require a multi-pronged effort that leverages both short- and long-term strategies. CPAs play a more important role in business than ever before, especially in many newer initiatives such as digital transformation, cryptocurrency, and artificial intelligence. For CPAs who work in core functions like tax and audit, their work helps ensure that taxpayers are complying with tax laws, financial reporting is sound, and businesses are acting ethically. While earning the CPA credential has historically been one of the most notable ways to exhibit a high level of competence in the accounting profession, the expense of the CPA Exam preparation, application, and registration can easily exceed \$3,000, depending on the state, and is often cited by would-be CPAs as a deterrent. Additionally, CPAs must keep up with continuing professional education requirements to ensure they maintain and improve their skills. The profession believes that expanding the allowable use of 529 education savings plans would give CPA candidates more flexibility as they decide how best to pay for the requirements associated with obtaining a license.

Legislation

The *Freedom to Invest in Tomorrow's Workforce Act* (H.R. 1151/S. 756) would amend the Internal Revenue Code to broaden the allowable use of 529 savings plans to cover the cost of certain workforce training, credentialing programs, certification exams, and maintenance of certification credentials. The legislation specifically allows funds to be used for expenses "associated with obtaining or maintaining recognized postsecondary credentials."

Representatives Rob Wittman (R-VA) and Steven Horsford (D-NV) have reintroduced this legislation in the House, while Senators Amy Klobuchar (D-MN) and Roger Marshall (R-KS) have reintroduced it in the Senate. The bill is supported by a group of more than 800 organizations known as the Tomorrow's Workforce Coalition, of which the AICPA is a member.

AICPA Position

Certifications and continuing education are cornerstones of the accounting profession, especially as tax and accounting laws continue to evolve. This bill gives greater flexibility to accounting professionals to gain and maintain professional certifications, including the CPA license. The CPA profession supports the bills.

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