

AMENDMENT TO
RULES COMMITTEE PRINT 119-3
OFFERED BY MS. PRESSLEY OF MASSACHUSETTS

Strike sections 110115 and 110116.

At the end of title XI, add the following new subtitle:

1 Subtitle E—American Opportunity
2 Accounts

3 SEC. 114001. DEFINITIONS.

4For purposes of this subtitle—

5(1) AMERICAN OPPORTUNITY FUND.—The term
6“American Opportunity Fund” means the fund es-
7tablished under section 114002.

8(2) AO ACCOUNT.—The term “AO account”
9means an American opportunity account established
10under section 114003.

11(3) SECRETARY.—The term “Secretary” means
12the Secretary of the Treasury or the Secretary’s del-
13egate.

14(4) AMERICAN OPPORTUNITY FUND BOARD.—
15The term “American Opportunity Fund Board”

1 means the board established pursuant to section
2 114006.

3 (5) EXECUTIVE DIRECTOR.—The term “Execu-
4 tive Director” means the executive director ap-
5 pointed pursuant to section 114006.

6 **SEC. 114002. AMERICAN OPPORTUNITY FUND.**

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

10 (b) AMOUNTS HELD BY FUND.—The American Op-
11 portunity Fund shall consist of the sum of all amounts
12 paid into the Fund under this subtitle, increased by the
13 total net earnings from investments of sums held in the
14 Fund or reduced by the total net losses from investments
15 of sums held in the Fund, and reduced by the total
16 amount of payments made from the Fund (including pay-
17 ments for administrative expenses).

18 (c) USE OF FUND.—

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

22 (A) to make contributions to AO accounts;

23 (B) to invest under section 114005;

24 (C) to make distributions in accordance
25 with this subtitle;

1 (D) to pay the administrative expenses of
2 carrying out this subtitle; and

3 (E) to purchase insurance as provided in
4 section 114007(c)(2).

5 (2) EXCLUSIVE PURPOSES.—The sums in the
6 American Opportunity Fund shall not be appro-
7 priated for any purpose other than the purposes
8 specified in this section and may not be used for any
9 other purpose.

10 (d) TRANSFERS TO AMERICAN OPPORTUNITY
11 FUND.—The Secretary shall make transfers from the gen-
12 eral fund of the Treasury to the American Opportunity
13 Fund as follows:

14 (1) INITIAL CONTRIBUTION FOR ELIGIBLE INDIV-
15 IDUALS BORN AFTER DECEMBER 31, 2025.—Upon
16 receipt of a certification under section 114003(b)(2)
17 with respect to an individual born after December
18 31, 2025, the Secretary shall transfer \$1,000 to the
19 AO account of the individual.

20 (2) ANNUAL CONTRIBUTIONS.—

21 (A) IN GENERAL.—Each year which occurs
22 after the year in which an AO account is estab-
23 lished for an eligible individual and before the
24 year the eligible individual attains the age of
25 18, the Secretary shall transfer the annual con-

1 tribution amount to the AO account of the indi-
2 vidual.

3 (B) ANNUAL CONTRIBUTION AMOUNT.—

4 The annual contribution amount shall be the
5 amount such that the annual contribution
6 amount for any taxpayer whose household in-
7 come is within an income tier specified in the
8 following table shall decrease, on a sliding scale
9 in a linear manner, from the initial amount to
10 the final amount specified in such table for
11 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

12 (C) APPLICABLE HOUSEHOLD INCOME;
13 POVERTY LINE.—For purposes of this para-
14 graph—

15 (i) APPLICABLE HOUSEHOLD IN-
16 COME.—The term “applicable household
17 income” means household income (as de-
18 fined in section 36B(d) of the Internal
19 Revenue Code of 1986), except that—

1 (I) with respect to any calendar
2 year, the Secretary shall use the in-
3 come of the second calendar year pre-
4 ceding the calendar year for which the
5 contribution relates; and

6 (II) in determining household in-
7 come the Secretary shall aggregate
8 the income of married individuals fil-
9 ing separate tax returns.

10 (ii) SPECIAL RULE FOR INDIVIDUALS
11 NOT FILING RETURNS.—

12 (I) IN GENERAL.—In the case of
13 any taxpayer who was not required to
14 file a return of tax for the tax im-
15 posed by section 1 of the Internal
16 Revenue Code of 1986 for the taxable
17 year described in clause (i)(I) or for
18 whom the information described in
19 clause (i) is not available for such
20 year, such taxpayer shall be treated as
21 a taxpayer with a household income
22 which is less than 100 percent of the
23 poverty line.

24 (II) USE OF OTHER DATA.—Sub-
25 clause (I) shall not apply if the Sec-

1 retary determines, based on such
2 other information from any agency of
3 the United States as the Secretary de-
4 termines is reliable, that the tax-
5 payer’s household income for such
6 year is 100 percent of the poverty line
7 or greater.

8 (iii) POVERTY LINE.—The term “pov-
9 erty line” has the meaning given such term
10 under section 36B(d) of the Internal Rev-
11 enue Code of 1986.

12 (D) AUTHORITY TO PROVIDE TAX INFOR-
13 MATION.—

14 (i) IN GENERAL.—Section 6103(l), as
15 amended by the preceding provisions of
16 this Act, is amended by adding at the end
17 the following new paragraph:

18 “(24) DISCLOSURE OF RETURN INFORMATION
19 TO CARRY OUT ELIGIBILITY REQUIREMENTS FOR
20 CERTAIN PROGRAMS.—

21 “(A) IN GENERAL.—The Secretary shall
22 disclose to officers and employees of the De-
23 partment of Treasury or the American Oppor-
24 tunity Fund Board return information of any
25 taxpayer whose income is relevant in deter-

1 mining any annual contribution to an American
2 Opportunity Account under section 114002 of
3 the One Big Beautiful Bill Act. Such return in-
4 formation shall be limited to—

5 “(i) taxpayer identity information
6 with respect to such taxpayer,

7 “(ii) the filing status of such tax-
8 payer,

9 “(iii) the number of individuals for
10 whom a deduction is allowed under section
11 151 with respect to the taxpayer (including
12 the taxpayer and the taxpayer’s spouse),

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

20 “(v) such other information as is pre-
21 scribed by the Secretary by regulation as
22 might indicate whether the taxpayer is eli-
23 gible for such an annual contribution (and
24 the amount thereof), and

1 “(vi) the taxable year with respect to
2 which the preceding information relates or,
3 if applicable, the fact that such informa-
4 tion is not available.

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

14 (ii) PROCEDURES AND RECORD-
15 KEEPING RELATED TO DISCLOSURES.—
16 Paragraph (4) of section 6103(p) is
17 amended by striking “or (22)” each place
18 it appears and inserting “(22), or (24)”.

19 (E) STUDY ON INCORPORATION OF OTHER
20 WEALTH FACTORS.—Not later than 2 years
21 after the date of the enactment of this Act, the
22 Comptroller General shall submit to Congress
23 and the Secretary of Treasury a report on the
24 feasibility and distributive impacts of a new
25 measure for determining the amount of the an-

1 nual contribution amount under this paragraph
2 based on family wealth, total assets, and overall
3 net worth. Such measure may—

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

9 (ii) continue to factor in current or
10 past income to the extent such information
11 is useful in estimating overall household
12 wealth.

13 (3) ADJUSTMENT FOR INFLATION.—

14 (A) IN GENERAL.—For each calendar year
15 beginning after 2026, each of the dollar
16 amounts under paragraphs (1) and (2)(B) shall
17 be increased by such dollar amount multiplied
18 by the cost-of-living adjustment determined
19 under section 1(f)(3) of the Internal Revenue
20 Code of 1986 determined by substituting “cal-
21 endar year 2025” for “calendar year 2016” in
22 subparagraph (A)(ii) thereof.

23 (B) ROUNDING.—If any amount adjusted
24 under subparagraph (A) is not a multiple of

1 \$50, such amount shall be rounded to the next
2 lowest multiple of \$50.

3 (e) PROHIBITION ON USE OF PAYROLL TAXES TO
4 FUND AO ACCOUNTS.—The American Opportunity Fund
5 and AO accounts are wholly separate and unique from the
6 Social Security system. No amount from any tax on em-
7 ployment may be contributed to the American Opportunity
8 Fund or AO accounts.

9 **SEC. 114003. AO ACCOUNTS.**

10 (a) IN GENERAL.—

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

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

23 (A) the sum of—

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

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

7 (B) the amounts paid out of the account
8 with respect to such individual under subsection
9 (c).

10 (3) CREDITING OF CONTRIBUTIONS.—Pursuant
11 to regulations which shall be prescribed by the Exec-
12 utive Director, the Executive Director shall credit to
13 each AO account the amounts paid into the Amer-
14 ican Opportunity Fund under section 114002(d)
15 which are attributable to the account holder of such
16 account.

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

1 (b) ELIGIBLE INDIVIDUAL.—For purposes of this
2 subtitle—

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

5 (A) was born after December 31, 2007;

6 (B) has not yet attained the age of 18
7 years; and

8 (C) has a valid, unique, Federal Govern-
9 ment issued identification number recognized by
10 the Internal Revenue Service.

11 (2) CERTIFICATION OF ACCOUNT HOLDERS.—

12 (A) AUTOMATIC CERTIFICATION FOR CER-
13 TAIN INDIVIDUALS BORN AFTER DECEMBER 31,
14 2025.—On any date after December 31, 2025,
15 on which an eligible individual is issued a social
16 security account number under section
17 203(c)(2) of the Social Security Act, the Com-
18 missioner of Social Security shall certify to the
19 Executive Director and the Secretary of the
20 Treasury the name of, and social security num-
21 ber issued to, such eligible individual.

22 (B) OTHER INDIVIDUALS.—In the case of
23 an eligible individual who is not certified under
24 subparagraph (A), such individual may request
25 the establishment an AO account under this

1 subparagraph by application to the Executive
2 Director, and the Executive Director shall cer-
3 tify such individual under this subparagraph.

4 (c) RESTRICTIONS ON DISTRIBUTIONS.—

5 (1) AGE-RELATED RESTRICTIONS.—

6 (A) IN GENERAL.—Except as otherwise
7 provided in this paragraph, no amount may be
8 distributed from an AO account before the date
9 on which the account holder attains the age of
10 18.

11 (B) HIGHER EDUCATION EXPENSES.—
12 Subparagraph (A) shall not apply to amounts
13 paid for qualified tuition and related expenses
14 (as defined in section 25A(f)(1) of the Internal
15 Revenue Code of 1986) of the account holder if
16 the account holder is an eligible student (as de-
17 fined in section 25A(b)(3) of such Code) with
18 respect to such expenses.

19 (C) AUTHORITY TO PROVIDE HIGHER AGE
20 LIMIT FOR CERTAIN DISTRIBUTIONS.—The Sec-
21 retary, in consultation with the American Op-
22 portunity Fund Advisory Board, may by regula-
23 tions provide for a higher age limitation with
24 respects to distributions relating to certain cat-
25 egories of qualified expenses if the Secretary de-

1 termines that such higher age limitation is ap-
2 propriate.

3 (2) USE-RELATED RESTRICTIONS.—

4 (A) IN GENERAL.—No amount may be dis-
5 tributed from an AO account unless the account
6 holder establishes, under rules established by
7 the Executive Director in consultation with the
8 American Opportunity Fund Advisory Board,
9 that such amount shall be used for a qualified
10 expense.

11 (B) QUALIFIED EXPENSE.—For purposes
12 of this subsection—

13 (i) IN GENERAL.—The term “qualified
14 expense” means expenses for any of the
15 following:

16 (I) Education of the account
17 holder at—

18 (aa) an institution of higher
19 education (as defined in section
20 101 of the Higher Education Act
21 of 1965 (20 U.S.C. 1001)); or

22 (bb) an area career and
23 technical education school (as de-
24 fined in section 3 of the Carl D.
25 Perkins Career and Technical

1 Education Act of 2006 (20
2 U.S.C. 2302)).

3 (II) Ownership of a home by the
4 account holder.

5 (III) Any expenses paid or in-
6 curred on or after the date on which
7 the account holder attains age 59½.

8 (IV) Any other investment in fi-
9 nancial assets or personal capital that
10 provides long-term gains to wages and
11 wealth, as established under regula-
12 tions promulgated by the Secretary, in
13 consultation with the Executive Direc-
14 tor and the American Opportunity
15 Fund Advisory Board.

16 (ii) EXCEPTION.—Such term shall not
17 include any expense described in clause (i)
18 which is paid to a person who does not
19 meet such standards as are prescribed by
20 the Secretary, in consultation with the Ex-
21 ecutive Director and the American Oppor-
22 tunity Fund Advisory Board.

23 (3) AMERICAN OPPORTUNITY ACCOUNT ADVI-
24 SORY BOARD.—For purposes of this subsection, the
25 term “American Opportunity Fund Advisory Board”

1 means an advisory board established by the Sec-
2 retary consisting of individuals with expertise in sav-
3 ings and asset-building, home financing, education
4 financing, consumer financial protection, and such
5 other areas as the Secretary may determine appro-
6 priate.

7 **SEC. 114004. ASSIGNMENT, ALIENATION, AND TREATMENT**
8 **OF DECEASED INDIVIDUALS.**

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

16 (b) TREATMENT OF ACCOUNTS OF DECEASED INDIV-
17 IDUALS.—In the case of a deceased account holder of an
18 AO account which has an account balance greater than
19 zero, upon receipt of notification of such individual's
20 death, the Executive Director shall close the account and
21 shall transfer the balance in such account to the AO ac-
22 count of such account holder's surviving spouse or, if there
23 is no such account of a surviving spouse, to the duly ap-
24 pointed legal representative of the estate of the deceased
25 account holder, or if there is no such representative, to

1 the person or persons determined to be entitled thereto
2 under the laws of the domicile of the deceased account
3 holder.

4 **SEC. 114005. RULES GOVERNING AO ACCOUNTS RELATING**
5 **TO INVESTMENT, ACCOUNTING, AND RE-**
6 **PORTING.**

7 (a) INVESTMENT PROGRAM.—

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

12 (2) SECURITIES.—

13 (A) IN GENERAL.—The Secretary of the
14 Treasury is authorized to issue special interest-
15 bearing obligations of the United States for
16 purchase by the American Opportunity Fund.

17 (B) INVESTMENT.—

18 (i) Obligations issued for the purpose
19 of this paragraph shall have maturities
20 fixed with due regard to the needs of the
21 American Opportunity Fund as determined
22 by the Executive Director, and shall bear
23 interest at a rate equal to the average mar-
24 ket yield (computed by the Secretary of the
25 Treasury on the basis of market quotations

1 as of the end of the calendar month next
2 preceding the date of issue of such obliga-
3 tions) on all marketable interest-bearing
4 obligations of the United States then form-
5 ing a part of the public debt which are not
6 due or callable earlier than 10 years after
7 the end of such calendar month.

8 (ii) Any average market yield com-
9 puted under clause (i) which is not a mul-
10 tiple of one-eighth of 1 percent, shall be
11 rounded to the nearest multiple of one-
12 eighth of 1 percent.

13 (b) INDEPENDENT PUBLIC ACCOUNTANT.—

14 (1) IN GENERAL.—Under regulations which
15 shall be prescribed by the Executive Director, and
16 subject to the provisions of this subtitle, section
17 8439(b) of title 5, United States Code (relating to
18 engagement of independent qualified public account-
19 ant), shall apply with respect to the American Op-
20 portunity Fund and accounts maintained in such
21 Fund in the same manner and to the same extent
22 as such section relates to the Thrift Savings Fund
23 and the accounts maintained in the Thrift Savings
24 Fund.

1 (2) APPLICATION RULES.—For purposes of
2 paragraph (1), references in such section 8439(b) to
3 an employee, Member, former employee, or former
4 Member shall be deemed references to an account
5 holder of an AO account in the American Oppor-
6 tunity Fund.

7 (c) CONFIDENTIALITY AND DISCLOSURE.—

8 (1) IN GENERAL.—Except as otherwise author-
9 ized by Federal law, the American Opportunity
10 Fund Board, the Executive Director, and any em-
11 ployee of the American Opportunity Fund Board
12 shall not disclose information with respect to the
13 American Opportunity Fund or any account main-
14 tained in such Fund.

15 (2) DISCLOSURE TO DESIGNEE OF BENE-
16 FICIARY.—The Executive Director may, subject to
17 such requirements and conditions as he may pre-
18 scribe by regulations, disclose such information with
19 respect to the AO account of the beneficiary to such
20 person or persons as the beneficiary may designate
21 in a request for or consent to such disclosure, or to
22 any other person at the beneficiary's request to the
23 extent necessary to comply with a request for infor-
24 mation or assistance made by the beneficiary to such
25 other person.

1 **SEC. 114006. AMERICAN OPPORTUNITY FUND BOARD.**

2 (a) IN GENERAL.—There is established in the execu-
3 tive branch of the Government an American Opportunity
4 Fund Board.

5 (b) COMPOSITION, DUTIES, AND RESPONSIBIL-
6 ITIES.—Subject to the provisions of this subtitle, the fol-
7 lowing provisions shall apply with respect to the American
8 Opportunity Fund Board in the same manner and to the
9 same extent as such provisions relate to the Federal Re-
10 tirement Thrift Investment Board:

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

14 (2) Section 8474 of such title (relating to Exec-
15 utive Director).

16 (3) Section 8476 of such title (relating to ad-
17 ministrative provisions).

18 **SEC. 114007. FIDUCIARY RESPONSIBILITIES.**

19 (a) IN GENERAL.—Under regulations of the Sec-
20 retary of Labor, the provisions of sections 8477 and 8478
21 of title 5, United States Code, shall apply in connection
22 with the American Opportunity Fund and the accounts
23 maintained in such Fund in the same manner and to the
24 same extent as such provisions apply in connection with
25 the Thrift Savings Fund and the accounts maintained in
26 the Thrift Savings Fund.

1 (b) INVESTIGATIVE AUTHORITY.—Any authority
2 available to the Secretary of Labor under section 504 of
3 the Employee Retirement Income Security Act of 1974
4 (29 U.S.C. 1134) is hereby made available to the Sec-
5 retary of Labor, and any officer designated by the Sec-
6 retary of Labor, to determine whether any person has vio-
7 lated, or is about to violate, any provision applicable under
8 subsection (a).

9 (c) EXCULPATORY PROVISIONS; INSURANCE.—

10 (1) IN GENERAL.—Any provision in an agree-
11 ment or instrument which purports to relieve a fidu-
12 ciary from responsibility or liability for any responsi-
13 bility, obligation, or duty under this subtitle shall be
14 void.

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

1 **SEC. 114008. ACCOUNTS DISREGARDED IN DETERMINING**
2 **ELIGIBILITY FOR FEDERAL BENEFITS.**

3 Amounts in any AO account shall not be taken into
4 account in determining any individual's or household's fi-
5 nancial eligibility for, or amount of, any benefit or service,
6 paid for in whole or in part with Federal funds, including
7 student financial aid.

8 **SEC. 114009. REPORTS.**

9 (a) REPORTS TO CONGRESS.—The Executive Direc-
10 tor, in consultation with the Secretary, shall annually
11 transmit a written report to the Congress. Such report
12 shall include—

13 (1) a detailed description of the status and op-
14 eration of the American Opportunity Fund and the
15 management of the AO accounts; and

16 (2) a detailed accounting of the administrative
17 expenses in carrying out this subtitle, including the
18 ratio of such administrative expenses to the balance
19 of the American Opportunity Fund and the method-
20 ology adopted by the Executive Director for allo-
21 cating such expenses among the AO accounts.

22 (b) REPORTS TO ACCOUNT HOLDERS.—The Amer-
23 ican Opportunity Fund Board shall prescribe regulations
24 under which each individual for whom an AO account is
25 maintained shall be furnished with an annual statement
26 relating to the individual's account, which shall include—

- 1 (1) a statement of the balance of individual's
2 AO account;
- 3 (2) a projection of the account's growth by the
4 time the individual attains the age of 18; and
- 5 (3) such other information as the Secretary
6 deems relevant.

7 **SEC. 114010. PROGRAMS FOR PROMOTING FINANCIAL CA-**
8 **PABILITY.**

9 The Secretary of the Treasury, in coordination with
10 the Financial Literacy and Education Commission, shall
11 develop programs to promote the financial capability of
12 account holders of AO accounts.

13 **SEC. 114011. TAX TREATMENT.**

14 (a) CONTRIBUTIONS AND DISTRIBUTIONS.—Part III
15 of subchapter B of chapter 1, as amended by the preceding
16 provisions of this Act, is amended by inserting after sec-
17 tion 139J the following new section:

18 **“SEC. 139K. CONTRIBUTIONS TO AND DISTRIBUTIONS**
19 **FROM AO ACCOUNTS.**

20 “Gross income shall not include—

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

24 “(2) any distribution from such an AO ac-
25 count.”.

1 (b) TAX TREATMENT OF EARNINGS AND DISTRIBUTIONS.—Subchapter F of chapter 1 is amended by adding
2 TIONS.—Subchapter F of chapter 1 is amended by adding
3 at the end the following new part:

4 **“PART IX—AMERICAN OPPORTUNITY FUND AND**
5 **AO ACCOUNTS**

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

6 **“SEC. 530A. AMERICAN OPPORTUNITY FUND AND AO AC-**
7 **COUNTS.**

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

14 “(b) DEFINITIONS.—For purposes of this section, the
15 terms ‘American Opportunity Fund’ and ‘AO account’
16 have the meanings given such terms under the American
17 Opportunity Accounts Act.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) The table of sections for part III of sub-
20 chapter B of chapter 1 is amended by inserting after
21 the item related to section 139J the following new
22 item:

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

1 (2) The table of parts for subchapter F of
2 chapter 1 is amended by adding at the end the fol-
3 lowing new item:

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

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2025.

