



(Original Signature of Member)

119TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to establish name, image, and likeness investment accounts for student-athletes, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. STEUBE introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to establish name, image, and likeness investment accounts for student-athletes, 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.**

4 This Act may be cited as the “Helping Under-  
5 graduate Students Thrive with Long-Term Earnings Act”  
6 or the “HUSTLE Act”.

1 **SEC. 2. NIL INVESTMENT ACCOUNTS.**

2 (a) IN GENERAL.—Subchapter F of chapter 1 of the  
3 Internal Revenue Code of 1986, as amended by section  
4 70204 of Public Law 119–21, is amended by adding at  
5 the end the following new part:

6 **“PART X—NIL INVESTMENT ACCOUNTS**

7 **“SEC. 530B. NIL INVESTMENT ACCOUNTS.**

8 “(a) GENERAL RULE.—An NIL investment account  
9 shall be exempt from taxation under this subtitle. Not-  
10 withstanding the preceding sentence, the NIL investment  
11 account shall be subject to the taxes imposed by section  
12 511 (relating to imposition of tax on unrelated business  
13 income of charitable organizations).

14 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-  
15 poses of this section:

16 “(1) DESIGNATED BENEFICIARY.—The term  
17 ‘designated beneficiary’ means the eligible athlete  
18 who established the NIL investment account and is  
19 the owner of such account.

20 “(2) ELIGIBLE ATHLETE.—

21 “(A) IN GENERAL.—The term ‘eligible ath-  
22 lete’ means an individual who—

23 “(i) is enrolled as a student at a par-  
24 ticipating institution of higher education,  
25 and

1                   “(ii) participates in an amateur or  
2                   collegiate athletic program.

3                   “(B) SECRETARIAL AUTHORITY.—The Sec-  
4                   retary, in consultation with the Secretary of  
5                   Education, shall have the authority to—

6                   “(i) further define the criteria for par-  
7                   ticipation in an amateur or collegiate ath-  
8                   letic program for purposes of subpara-  
9                   graph (A)(ii),

10                   “(ii) establish procedures for verifying  
11                   an individual’s status as an eligible athlete,  
12                   and

13                   “(iii) issue guidance regarding the ap-  
14                   plication of the requirements described in  
15                   subparagraph (A) in cases where an indi-  
16                   vidual’s enrollment or athletic participation  
17                   status changes during a taxable year.

18                   “(3) PARTICIPATING INSTITUTION OF HIGHER  
19                   EDUCATION.—

20                   “(A) IN GENERAL.—For purposes of this  
21                   section, the term ‘participating institution of  
22                   higher education’ means an institution of higher  
23                   education which elects (pursuant to subpara-  
24                   graph (B)) to participate under this section and  
25                   to comply with any requirements applicable to

1           such institution of higher education under this  
2           section.

3           “(B) ELECTION AND REVOCATION.—

4                   “(i) ELECTION.—Any election made  
5           by an institution of higher education to  
6           participate under this section shall be ef-  
7           fective for the academic year with respect  
8           to which it is made and for all subsequent  
9           academic years and, once made, may be re-  
10          voked only pursuant to clause (ii).

11                   “(ii) REVOCATION.—A revocation of  
12          an election described in clause (i) may be  
13          made by an institution of higher education  
14          only if—

15                           “(I) such institution of higher  
16                  education provides notice of such rev-  
17                  ocation to all eligible athletes enrolled  
18                  at such institution of higher edu-  
19                  cation, and

20                                   “(II) such revocation takes effect  
21                  no earlier than the first academic year  
22                  beginning after the date which is 12  
23                  months after the date on which the  
24                  notice described in subclause (I) has  
25                  been provided.

1           “(C) INSTITUTION OF HIGHER EDU-  
2           CATION.—For purposes of this section, the term  
3           ‘institution of higher education’ has the same  
4           meaning given such term in section 102 of the  
5           Higher Education Act of 1965 (20 U.S.C.  
6           1002).

7           “(4) NIL INVESTMENT ACCOUNT.—The term  
8           ‘NIL investment account’ means a trust created or  
9           organized in the United States exclusively for the  
10          purpose of receiving contributions of qualified NIL  
11          income and providing distributions to the individual  
12          who is the designated beneficiary of the trust (and  
13          designated as an NIL investment account at the  
14          time created or organized), but only if the written  
15          governing instrument creating the trust meets the  
16          following requirements:

17               “(A) No contribution will be accepted—

18                       “(i) unless it is in cash and is made  
19                       by an eligible athlete from qualified NIL  
20                       income, or

21                       “(ii) except in the case of rollover con-  
22                       tributions, if such contribution would not  
23                       be permitted under paragraph (6).

24               “(B) The trustee is a bank (as defined in  
25               section 408(n)) or another person who dem-

1           onstrates to the satisfaction of the Secretary  
2           that the manner in which that person will ad-  
3           minister the trust will be consistent with the re-  
4           quirements of this section.

5           “(C) No part of the trust assets will be in-  
6           vested in life insurance contracts.

7           “(D) The assets of the trust shall not be  
8           commingled with other property except in a  
9           common trust fund or common investment  
10          fund.

11          “(5) QUALIFIED NIL INCOME.—The term  
12          ‘qualified NIL income’ means any income received  
13          by an eligible athlete that is derived from the use of  
14          such athlete’s name, image, or likeness, including  
15          endorsements, appearances, social media content  
16          creation, and licensing arrangements.

17          “(6) CONTRIBUTION LIMITATIONS.—No con-  
18          tribution will be accepted to an NIL investment ac-  
19          count for any eligible athlete—

20                 “(A) which, for any taxable year, is in ex-  
21                 cess of the dollar amount determined under sec-  
22                 tion 2503(b) for the calendar year in which  
23                 such taxable year began, and

24                 “(B) after the end of the fifth taxable year  
25                 in which such athlete—

1                   “(i) has received qualified NIL in-  
2                   come, and

3                   “(ii) was enrolled at a participating  
4                   institution of higher education.

5                   “(7) TREATMENT OF CONTRIBUTIONS.—With  
6                   respect to any qualified NIL income received by an  
7                   eligible athlete which is contributed to an NIL in-  
8                   vestment account, at the election of such eligible  
9                   athlete, gross income shall not include such qualified  
10                  NIL income.

11                  “(8) TREATMENT OF SELF-EMPLOYMENT  
12                  TAXES.—

13                  “(A) IN GENERAL.—For purposes of chap-  
14                  ter 2 (relating to tax on self-employment in-  
15                  come), any qualified NIL income contributed to  
16                  an NIL investment account for which an elec-  
17                  tion has been made pursuant to paragraph (7)  
18                  shall not be taken into account as net earnings  
19                  from self-employment (within the meaning of  
20                  section 1402(a)) for the taxable year of con-  
21                  tribution.

22                  “(B) DISTRIBUTIONS.—Any distribution  
23                  from an NIL investment account that is includ-  
24                  ible in gross income under subsection (c)(1)  
25                  shall be treated as net earnings from self-em-

1           ployment (within the meaning of section  
2           1402(a)) for purposes of chapter 2 in the tax-  
3           able year of distribution.

4           “(9) LIMITATIONS.—Rules similar to the rules  
5           of paragraphs (4) and (5) of section 529(b) shall  
6           apply for purposes of this section.

7           “(c) TAX TREATMENT OF DISTRIBUTIONS.—

8           “(1) IN GENERAL.—Any distribution from an  
9           NIL investment account shall be includible in the  
10          gross income of the distributee in the manner as  
11          provided under section 72 to the extent not excluded  
12          from gross income under any other provision of this  
13          chapter.

14          “(2) TAX TREATMENT OF DISTRIBUTIONS.—

15                 “(A) IN GENERAL.—For purposes of ap-  
16                 plying paragraph (1), a distribution shall be  
17                 treated as—

18                         “(i) includible in gross income and  
19                         taxed as ordinary income if made before  
20                         the date on which the designated bene-  
21                         ficiary—

22                                 “(I) graduates from a partici-  
23                                 pating institution of higher education  
24                                 (as provided in subparagraph (D)), or

1                   “(II) transfers from a partici-  
2                   pating institution of higher education  
3                   to a non-participating institution of  
4                   higher education (as provided in sub-  
5                   paragraph (E)), and

6                   “(ii) includible in gross income and  
7                   taxed at the rate applicable to long-term  
8                   capital gains under section 1(h) if made on  
9                   or after the date on which the designated  
10                  beneficiary—

11                  “(I) graduates from a partici-  
12                  pating institution of higher education  
13                  (as provided in subparagraph (D)), or

14                  “(II) transfers from a partici-  
15                  pating institution of higher education  
16                  to a non-participating institution of  
17                  higher education (as provided in sub-  
18                  paragraph (E)),

19                  but, for purposes of clause (ii), only to the ex-  
20                  tent that such distribution does not exceed the  
21                  limitation described in subparagraph (B) for  
22                  the taxable year.

23                  “(B) LIMITATION ON PREFERENTIAL TAX  
24                  TREATMENT.—

1           “(i) IN GENERAL.—The amount of  
2           distributions from an NIL investment ac-  
3           count that may be taxed at the rate appli-  
4           cable to long-term capital gain under sub-  
5           paragraph (A)(ii) during any taxable year  
6           shall not exceed the amount described  
7           under section 1(h)(1)(B)(i) for an indi-  
8           vidual described in section 1(c).

9           “(ii) EXCESS AMOUNTS.—Any dis-  
10          tribution exceeding the limitation under  
11          clause (i) shall be includible in gross in-  
12          come, taxed as ordinary income, and (ex-  
13          cept in the case of a qualified distribution  
14          described in paragraph (3)(B)) subject to  
15          the additional tax under paragraph (3)(A).

16          “(C) STUDENT TRANSFERS BETWEEN IN-  
17          STITUTIONS.—

18               “(i) IN GENERAL.—In the case of a  
19               designated beneficiary who transfers from  
20               one participating institution of higher edu-  
21               cation to another participating institution  
22               of higher education (referred to in this  
23               subparagraph as the ‘subsequent institu-  
24               tion’), the graduation date for purposes of  
25               this section shall be the date on which the

1 designated beneficiary graduates from the  
2 subsequent institution.

3 “(ii) NOTIFICATION REQUIREMENT.—

4 A designated beneficiary who transfers to  
5 a subsequent institution shall notify the  
6 trustee of the NIL investment account of  
7 such transfer within 60 days of enrollment  
8 at the subsequent institution. The subse-  
9 quent institution shall, upon the request of  
10 the designated beneficiary, confirm such  
11 enrollment to the trustee of the NIL in-  
12 vestment account.

13 “(iii) MULTIPLE TRANSFERS.—The  
14 rules of this paragraph shall apply to des-  
15 ignated beneficiaries who transfer between  
16 multiple participating institutions of higher  
17 education, with each subsequent institution  
18 being treated as the relevant institution for  
19 purposes of determining the graduation  
20 date.

21 “(D) CERTIFICATION OF GRADUATION.—

22 The participating institution of higher edu-  
23 cation from which the designated beneficiary  
24 graduates shall transmit documentation of the  
25 designated beneficiary’s graduation directly to

1 the trustee of the NIL investment account. The  
2 Secretary shall prescribe the form and manner  
3 of such certification.

4 “(E) TRANSFER TO NON-PARTICIPATING  
5 INSTITUTION OF HIGHER EDUCATION.—In the  
6 case of a designated beneficiary who transfers  
7 from a participating institution of higher edu-  
8 cation to a non-participating institution of high-  
9 er education, the participating institution of  
10 higher education shall notify the trustee of the  
11 NIL investment account of such transfer.

12 “(3) ADDITIONAL TAX FOR DISTRIBUTIONS NOT  
13 USED FOR QUALIFIED EXPENSES.—

14 “(A) IN GENERAL.—The tax imposed by  
15 this chapter for any taxable year on any tax-  
16 payer who receives a distribution from an NIL  
17 investment account—

18 “(i) before the date on which the des-  
19 ignated beneficiary graduates from an in-  
20 stitution of higher education (as provided  
21 in paragraph (2)(D)), or

22 “(ii) in the case of a distribution de-  
23 scribed in paragraph (2)(A)(ii), which is in  
24 excess of the limitation under paragraph  
25 (2)(B)(i),

1 shall be increased by 10 percent of the amount  
2 which is includible in gross income, unless such  
3 distribution is a qualified distribution.

4 “(B) QUALIFIED DISTRIBUTIONS.—For  
5 purposes of subparagraph (A), a distribution  
6 shall be treated as a qualified distribution if—

7 “(i) the distribution is made to a ben-  
8 eficiary (or to the estate of the designated  
9 beneficiary) on or after the death of the  
10 designated beneficiary,

11 “(ii) the distribution is attributable to  
12 the designated beneficiary’s being disabled  
13 (within the meaning of section 72(m)(7)),

14 “(iii) the distribution is used for  
15 qualified expenses of the designated bene-  
16 ficiary, or

17 “(iv) the distribution is part of a roll-  
18 over contribution described in paragraph  
19 (4).

20 “(C) QUALIFIED EXPENSES.—For pur-  
21 poses of subparagraph (B)(iii), the term ‘quali-  
22 fied expenses’ means expenses incurred by the  
23 designated beneficiary for any of the following:

24 “(i) Career transition costs, includ-  
25 ing—

1 “(I) professional training, certifi-  
2 cation, or education costs,

3 “(II) moving expenses (as de-  
4 fined in section 217(b)) related to  
5 post-athletic career opportunities, or

6 “(III) professional services re-  
7 lated to career planning and develop-  
8 ment.

9 “(ii) Qualified higher education ex-  
10 penses (as defined in section 529(e)(3)) of  
11 the designated beneficiary.

12 “(iii) Qualified medical expenses (as  
13 defined in section 213(d)) of the des-  
14 ignated beneficiary to the extent such ex-  
15 penses exceed 7.5 percent of the des-  
16 ignated beneficiary’s adjusted gross income  
17 for the taxable year in which such expenses  
18 are incurred.

19 “(iv) Such other purposes as are de-  
20 termined appropriate by the Secretary.

21 “(D) CONTRIBUTIONS RETURNED BEFORE  
22 CERTAIN DATE.—Subparagraph (A) shall not  
23 apply to the distribution of any contribution  
24 made during a taxable year if—

1           “(i) such distribution is received on or  
2           before the day prescribed by law (including  
3           extensions of time) for filing such des-  
4           ignated beneficiary’s return for such tax-  
5           able year, and

6           “(ii) such distribution is accompanied  
7           by the amount of net income attributable  
8           to such excess contribution.

9           In the case of such a distribution, for purposes  
10          of section 61, any net income described in  
11          clause (ii) shall be included in gross income for  
12          the taxable year in which such excess contribu-  
13          tion was made.

14          “(4) CHANGE IN BENEFICIARIES OR PRO-  
15          GRAMS.—

16                 “(A) ROLLOVERS.—Paragraph (1) shall  
17                 not apply to that portion of any distribution  
18                 from an NIL investment account which, within  
19                 60 days of such distribution, is transferred into  
20                 another NIL investment account for the benefit  
21                 of—

22                         “(i) the designated beneficiary, or

23                         “(ii) an eligible athlete who is a mem-  
24                         ber of the family of such beneficiary.

1           “(B) CHANGE IN DESIGNATED BENE-  
2           FICIARIES.—Any change in the designated ben-  
3           eficiary of an NIL investment account shall not  
4           be treated as a distribution for purposes of  
5           paragraph (1) if the new beneficiary is—

6                   “(i) an eligible athlete for such tax-  
7                   able year, and

8                   “(ii) a member of the family of the  
9                   former beneficiary.

10           “(C) LIMITATION ON CERTAIN ROLL-  
11           OVERS.—Subparagraph (A) shall not apply to  
12           any transfer if such transfer occurs within 12  
13           months from the date of a previous transfer to  
14           any NIL investment account for the benefit of  
15           the designated beneficiary.

16           “(5) SPECIAL RULES FOR APPLYING ESTATE  
17           AND GIFT TAXES WITH RESPECT TO ACCOUNT.—  
18           Rules similar to the rules of paragraphs (2), (4),  
19           and (5) of section 529(e) shall apply for purposes of  
20           this section.

21           “(6) MEMBER OF THE FAMILY.—For purposes  
22           of this subsection, the term ‘member of the family’  
23           means, with respect to any designated beneficiary,  
24           an individual who bears a relationship to such bene-  
25           ficiary which is described in section 529(e)(2).

1           “(7) LOSS OF NIL INVESTMENT ACCOUNT  
2 TREATMENT.—If an NIL investment account is es-  
3 tablished for a designated beneficiary, no account  
4 subsequently established for such beneficiary shall be  
5 treated as an NIL investment account. The pre-  
6 ceding sentence shall not apply in the case of an ac-  
7 count established for purposes of a transfer de-  
8 scribed in paragraph (4)(A) if the transferor account  
9 is closed as of the end of the 60-day period referred  
10 to in such paragraph.

11           “(8) TRANSITION TO RETIREMENT AC-  
12 COUNTS.—

13           “(A) IN GENERAL.—Subject to subpara-  
14 graph (C), an individual who has ceased to be  
15 an eligible athlete for at least 1 year may elect  
16 to convert their NIL investment account, in  
17 whole or in part, to—

18                   “(i) an individual retirement account  
19                   (as defined in section 408(a)),

20                   “(ii) a Roth IRA (as defined in sec-  
21                   tion 408A(b)), or

22                   “(iii) such other retirement arrange-  
23                   ments as the Secretary may specify in reg-  
24                   ulations.

1           “(B) TAX TREATMENT.—A conversion  
2           under subparagraph (A) shall be treated as a  
3           rollover contribution for purposes of this title.

4           “(C) LIFETIME LIMITATION.—With re-  
5           spect to any individual described in subpara-  
6           graph (A), the amount of any conversion of any  
7           NIL investment account to any other account  
8           or arrangement described in clause (i), (ii), or  
9           (iii) of such subparagraph during any taxable  
10          year shall not exceed the excess (if any) of  
11          \$35,000 over the aggregate amount of any  
12          prior conversions under this paragraph with re-  
13          spect to such individual for all prior taxable  
14          years.

15          “(d) TAX TREATMENT OF ACCOUNTS.—Rules similar  
16          to the rules of paragraphs (2) and (4) of section 408(e)  
17          shall apply to any NIL investment account.

18          “(e) EDUCATION REQUIREMENTS.—

19                  “(1) IN GENERAL.—The trustee of an NIL in-  
20          vestment account shall make available to the des-  
21          ignated beneficiary educational materials regard-  
22          ing—

23                          “(A) the benefits and rules of the NIL in-  
24          vestment account,

1           “(B) basic principles of investing and fi-  
2           nancial planning,

3           “(C) the importance of long-term financial  
4           security, and

5           “(D) such other topics as the Secretary  
6           may specify in regulations.

7           “(2) DELIVERY OF MATERIALS.—The edu-  
8           cational materials required under paragraph (1)  
9           shall be provided to a designated beneficiary—

10           “(A) upon the establishment of an NIL in-  
11           vestment account, and

12           “(B) on an annual basis thereafter.

13           “(f) REGULATIONS.—The Secretary shall prescribe  
14           such regulations as may be necessary to carry out the pur-  
15           poses of this section, including regulations—

16           “(1) to enforce the limitation described in sub-  
17           section (c)(7),

18           “(2) providing for the information required to  
19           be presented to establish an NIL investment ac-  
20           count,

21           “(3) to identify additional qualified expenses  
22           pursuant to subsection (c)(3)(C)(iv),

23           “(4) to prevent fraud and abuse with respect to  
24           amounts claimed as qualified expenses,

1           “(5) to ensure proper reporting and verification  
2 of NIL income sources,

3           “(6) to establish procedures for tracking the  
4 number of taxable years in which an eligible athlete  
5 makes contributions to an NIL investment account,

6           “(7) to establish procedures for determining the  
7 annual limit on preferential capital gains treatment  
8 under subsection (c)(2)(B),

9           “(8) to establish procedures for the transition  
10 of NIL investment accounts to retirement accounts  
11 under subsection (c)(8), and

12           “(9) to allow for transfers described in sub-  
13 section (c)(4).”.

14       (b) CLERICAL AMENDMENT.—The table of parts for  
15 subchapter F of chapter 1 of such Code is amended by  
16 adding at the end the following new item:

                  “PART X—NIL INVESTMENT ACCOUNTS”.

17       (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2025.