I

119TH CONGRESS
2D SESSION

H. R. 9568

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2026

Mr. STEUBE (for himself and Mr. BOYLE of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Helping Undergraduate Students Thrive with Long-Term Earnings Act" or the "HUSTLE Act".

SEC. 2. NIL INVESTMENT ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986, as amended by section

70204 of Public Law 119–21, is amended by adding at the end the following new part:

"PART X—NIL INVESTMENT ACCOUNTS

"SEC. 530B. NIL INVESTMENT ACCOUNTS.

"(a) GENERAL RULE.—An NIL investment account shall be exempt from taxation under this subtitle. Notwithstanding the preceding sentence, the NIL investment account shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable organizations).

"(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

"(1) DESIGNATED BENEFICIARY.—The term 'designated beneficiary' means the eligible athlete who established the NIL investment account and is the owner of such account.

"(2) ELIGIBLE ATHLETE.—

"(A) IN GENERAL.—The term 'eligible athlete' means an individual who—

"(i) is enrolled as a student at a participating institution of higher education, and

"(ii) participates in an amateur or collegiate athletic program.

"(B) SECRETARIAL AUTHORITY.—The Secretary, in consultation with the Secretary of Education, shall have the authority to—

"(i) further define the criteria for participation in an amateur or collegiate athletic program for purposes of subparagraph (A)(ii),

"(ii) establish procedures for verifying an individual's status as an eligible athlete, and

"(iii) issue guidance regarding the application of the requirements described in subparagraph (A) in cases where an individual's enrollment or athletic participation status changes during a taxable year.

"(3) PARTICIPATING INSTITUTION OF HIGHER EDUCATION.—

"(A) IN GENERAL.—For purposes of this section, the term 'participating institution of higher education' means an institution of higher education which elects (pursuant to subparagraph (B)) to participate under this section and to comply with any requirements applicable to such institution of higher education under this section.

"(B) ELECTION AND REVOCATION.—

"(i) ELECTION.—Any election made by an institution of higher education to participate under this section shall be effective for the academic year with respect to which it is made and for all subsequent academic years and, once made, may be revoked only pursuant to clause (ii).

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

"(I) such institution of higher education provides notice of such revocation to all eligible athletes enrolled at such institution of higher education, and

"(II) such revocation takes effect no earlier than the first academic year beginning after the date which is 12 months after the date on which the notice described in subclause (I) has been provided.

"(C) INSTITUTION OF HIGHER EDUCATION.—For purposes of this section, the term 'institution of higher education' has the same meaning given such term in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002).

''(4) NIL INVESTMENT ACCOUNT.—The term 'NIL investment account' means a trust created or organized in the United States exclusively for the purpose of receiving contributions of qualified NIL income and providing distributions to the individual who is the designated beneficiary of the trust (and designated as an NIL investment account at the time created or organized), but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted—

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

''(ii) except in the case of rollover contributions, if such contribution would not be permitted under paragraph (6).

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust assets will be invested in life insurance contracts.

"(D) The assets of the trust shall not be commingled with other property except in a common trust fund or common investment fund.

"(5) QUALIFIED NIL INCOME.—The term 'qualified NIL income' means any income received by an eligible athlete that is derived from the use of such athlete's name, image, or likeness, including endorsements, appearances, social media content creation, and licensing arrangements.

"(6) CONTRIBUTION LIMITATIONS.—No contribution will be accepted to an NIL investment account for any eligible athlete—

"(A) which, for any taxable year, is in excess of the dollar amount determined under section 2503(b) for the calendar year in which such taxable year began, and

"(B) after the end of the fifth taxable year in which such athlete—

"(i) has received qualified NIL income, and "(ii) was enrolled at a participating institution of higher education.

"(7) TREATMENT OF CONTRIBUTIONS.—With respect to any qualified NIL income received by an eligible athlete which is contributed to an NIL investment account, at the election of such eligible athlete, gross income shall not include such qualified NIL income.

"(8) TREATMENT OF SELF-EMPLOYMENT TAXES.—

"(A) IN GENERAL.—For purposes of chapter 2 (relating to tax on self-employment income), any qualified NIL income contributed to an NIL investment account for which an election has been made pursuant to paragraph (7) shall not be taken into account as net earnings from self-employment (within the meaning of section 1402(a)) for the taxable year of contribution.

"(B) DISTRIBUTIONS.—Any distribution from an NIL investment account that is includible in gross income under subsection (c)(1) shall be treated as net earnings from self-employment (within the meaning of section

1402(a)) for purposes of chapter 2 in the taxable year of distribution.

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

"(c) TAX TREATMENT OF DISTRIBUTIONS.—

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

"(2) TAX TREATMENT OF DISTRIBUTIONS.—

"(A) IN GENERAL.—For purposes of applying paragraph (1), a distribution shall be treated as—

"(i) includible in gross income and taxed as ordinary income if made before the date on which the designated beneficiary—

"(I) graduates from a participating institution of higher education (as provided in subparagraph (D)), or

"(II) transfers from a participating institution of higher education to a non-participating institution of higher education (as provided in subparagraph (E)), and

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

"(I) graduates from a participating institution of higher education (as provided in subparagraph (D)), or

"(II) transfers from a participating institution of higher education to a non-participating institution of higher education (as provided in subparagraph (E)),

but, for purposes of clause (ii), only to the extent that such distribution does not exceed the limitation described in subparagraph (B) for the taxable year.

"(B) LIMITATION ON PREFERENTIAL TAX TREATMENT.—

"(i) IN GENERAL.—The amount of distributions from an NIL investment account that may be taxed at the rate applicable to long-term capital gain under subparagraph (A)(ii) during any taxable year shall not exceed the amount described under section 1(h)(1)(B)(i) for an individual described in section 1(c).

"(ii) EXCESS AMOUNTS.—Any distribution exceeding the limitation under clause (i) shall be includible in gross income, taxed as ordinary income, and (except in the case of a qualified distribution described in paragraph (3)(B)) subject to the additional tax under paragraph (3)(A).

"(C) STUDENT TRANSFERS BETWEEN INSTITUTIONS.—

"(i) IN GENERAL.—In the case of a designated beneficiary who transfers from one participating institution of higher education to another participating institution of higher education (referred to in this subparagraph as the 'subsequent institution'), the graduation date for purposes of this section shall be the date on which the designated beneficiary graduates from the subsequent institution.

"(ii) NOTIFICATION REQUIREMENT.—A designated beneficiary who transfers to a subsequent institution shall notify the trustee of the NIL investment account of such transfer within 60 days of enrollment at the subsequent institution. The subsequent institution shall, upon the request of the designated beneficiary, confirm such enrollment to the trustee of the NIL investment account.

"(iii) MULTIPLE TRANSFERS.—The rules of this paragraph shall apply to designated beneficiaries who transfer between multiple participating institutions of higher education, with each subsequent institution being treated as the relevant institution for purposes of determining the graduation date.

"(D) CERTIFICATION OF GRADUATION.—The participating institution of higher education from which the designated beneficiary graduates shall transmit documentation of the designated beneficiary's graduation directly to the trustee of the NIL investment account. The

Secretary shall prescribe the form and manner of such certification.

"(E) TRANSFER TO NON-PARTICIPATING INSTITUTION OF HIGHER EDUCATION.—In the case of a designated beneficiary who transfers from a participating institution of higher education to a non-participating institution of higher education, the participating institution of higher education shall notify the trustee of the NIL investment account of such transfer.

"(3) ADDITIONAL TAX FOR DISTRIBUTIONS NOT USED FOR QUALIFIED EXPENSES.—

"(A) IN GENERAL.—The tax imposed by this chapter for any taxable year on any taxpayer who receives a distribution from an NIL investment account—

"(i) before the date on which the designated beneficiary graduates from an institution of higher education (as provided in paragraph (2)(D)), or

"(ii) in the case of a distribution described in paragraph (2)(A)(ii), which is in excess of the limitation under paragraph (2)(B)(i), shall be increased by 10 percent of the amount which is includible in gross income, unless such distribution is a qualified distribution.

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

"(i) the distribution is made to a beneficiary (or to the estate of the designated beneficiary) on or after the death of the designated beneficiary,

"(ii) the distribution is attributable to the designated beneficiary's being disabled (within the meaning of section 72(m)(7)),

"(iii) the distribution is used for qualified expenses of the designated beneficiary, or

"(iv) the distribution is part of a rollover contribution described in paragraph (4).

"(C) QUALIFIED EXPENSES.—For purposes of subparagraph (B)(iii), the term 'qualified expenses' means expenses incurred by the designated beneficiary for any of the following:

"(i) Career transition costs, including—

"(I) professional training, certification, or education costs,

"(II) moving expenses (as defined in section 217(b)) related to post-athletic career opportunities, or

"(III) professional services related to career planning and development.

"(ii) Qualified higher education expenses (as defined in section 529(e)(3)) of the designated beneficiary.

"(iii) Qualified medical expenses (as defined in section 213(d)) of the designated beneficiary to the extent such expenses exceed 7.5 percent of the designated beneficiary's adjusted gross income for the taxable year in which such expenses are incurred.

"(iv) Such other purposes as are determined appropriate by the Secretary.

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

"(i) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such designated beneficiary's return for such taxable year, and

"(ii) such distribution is accompanied by the amount of net income attributable to such excess contribution.

In the case of such a distribution, for purposes of section 61, any net income described in clause (ii) shall be included in gross income for the taxable year in which such excess contribution was made.

"(4) CHANGE IN BENEFICIARIES OR PROGRAMS.—

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

"(i) the designated beneficiary, or

"(ii) an eligible athlete who is a member of the family of such beneficiary.

"(B) CHANGE IN DESIGNATED BENEFICIARIES.—Any change in the designated beneficiary of an NIL investment account shall not be treated as a distribution for purposes of paragraph (1) if the new beneficiary is—

"(i) an eligible athlete for such taxable year, and

"(ii) a member of the family of the former beneficiary.

"(C) LIMITATION ON CERTAIN ROLLOVERS.—Subparagraph (A) shall not apply to any transfer if such transfer occurs within 12 months from the date of a previous transfer to any NIL investment account for the benefit of the designated beneficiary.

"(5) SPECIAL RULES FOR APPLYING ESTATE AND GIFT TAXES WITH RESPECT TO ACCOUNT.—Rules similar to the rules of paragraphs (2), (4), and (5) of section 529(c) shall apply for purposes of this section.

"(6) MEMBER OF THE FAMILY.—For purposes of this subsection, the term 'member of the family' means, with respect to any designated beneficiary, an individual who bears a relationship to such beneficiary which is described in section 529(e)(2).

“(7) LOSS OF NIL INVESTMENT ACCOUNT TREATMENT.—If an NIL investment account is established for a designated beneficiary, no account subsequently established for such beneficiary shall be treated as an NIL investment account. The preceding sentence shall not apply in the case of an account established for purposes of a transfer described in paragraph (4)(A) if the transferor account is closed as of the end of the 60-day period referred to in such paragraph.

“(8) TRANSITION TO RETIREMENT ACCOUNTS.—

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

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

“(ii) a Roth IRA (as defined in section 408A(b)), or

“(iii) such other retirement arrangements as the Secretary may specify in regulations.

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

"(C) LIFETIME LIMITATION.—With respect to any individual described in subparagraph (A), the amount of any conversion of any NIL investment account to any other account or arrangement described in clause (i), (ii), or (iii) of such subparagraph during any taxable year shall not exceed the excess (if any) of $35,000 over the aggregate amount of any prior conversions under this paragraph with respect to such individual for all prior taxable years.

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

"(e) EDUCATION REQUIREMENTS.—

"(1) IN GENERAL.—The trustee of an NIL investment account shall make available to the designated beneficiary educational materials regarding—

"(A) the benefits and rules of the NIL investment account, "(B) basic principles of investing and financial planning,

"(C) the importance of long-term financial security, and

"(D) such other topics as the Secretary may specify in regulations.

"(2) DELIVERY OF MATERIALS.—The educational materials required under paragraph (1) shall be provided to a designated beneficiary—

"(A) upon the establishment of an NIL investment account, and

"(B) on an annual basis thereafter.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations—

"(1) to enforce the limitation described in subsection (c)(7),

"(2) providing for the information required to be presented to establish an NIL investment account,

"(3) to identify additional qualified expenses pursuant to subsection (c)(3)(C)(iv),

"(4) to prevent fraud and abuse with respect to amounts claimed as qualified expenses, "(5) to ensure proper reporting and verification of NIL income sources,

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

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

"(8) to establish procedures for the transition of NIL investment accounts to retirement accounts under subsection (c)(8), and

"(9) to allow for transfers described in subsection (c)(4).".

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

"PART X—NIL INVESTMENT ACCOUNTS".

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

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