

113TH CONGRESS
2D SESSION

H. R. 3977

To amend the Internal Revenue Code of 1986 to allow 529 tuition programs with respect to elementary and secondary education expenses.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2014

Mr. SALMON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow 529 tuition programs with respect to elementary and secondary education expenses.

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 “School Choice Edu-
5 cation Savings Account Act of 2014”.

6 **SEC. 2. 529 PROGRAMS FOR ELEMENTARY AND SECONDARY**
7 **EDUCATION EXPENSES.**

8 (a) IN GENERAL.—Paragraph (3) of section 529(e)
9 of the Internal Revenue Code of 1986 is amended—

1 (1) by redesignating subparagraph (B) as sub-
2 paragraph (C),

3 (2) by striking “QUALIFIED HIGHER EDU-
4 CATION EXPENSES” and all that follows through
5 “The term ‘qualified higher education expenses’
6 means—” and inserting the following: “QUALIFIED
7 EDUCATION EXPENSES.—

8 “(A) IN GENERAL.—The term ‘qualified
9 education expenses’ means—

10 “(i) qualified higher education ex-
11 penses, and

12 “(ii) qualified elementary and sec-
13 ondary education expenses.

14 “(B) QUALIFIED HIGHER EDUCATION EX-
15 PENSES.—The term ‘qualified higher education
16 expenses’ means”, and

17 (3) by adding at the end the following new sub-
18 paragraphs:

19 “(D) QUALIFIED ELEMENTARY AND SEC-
20 ONDARY EDUCATION EXPENSES.—

21 “(i) expenses for tuition, fees, aca-
22 demic tutoring, special needs services in
23 the case of a special needs beneficiary,
24 books, supplies, and other equipment which
25 are incurred in connection with the enroll-

1 ment or attendance of the designated bene-
2 ficiary of the trust as an elementary or
3 secondary school student at a public, pri-
4 vate, or religious school,

5 “(ii) expenses for room and board,
6 uniforms, transportation, and supple-
7 mentary items and services (including ex-
8 tended day programs) which are required
9 or provided by a public, private, or reli-
10 gious school in connection with such enroll-
11 ment or attendance, and

12 “(iii) expenses for the purchase of any
13 computer technology or equipment (as de-
14 fined in section 170(e)(6)(F)(i)) or Inter-
15 net access and related services, if such
16 technology, equipment, or services are to
17 be used by the beneficiary and the bene-
18 ficiary’s family during any of the years the
19 beneficiary is in school.

20 Clause (iii) shall not include expenses for com-
21 puter software designed for sports, games, or
22 hobbies unless the software is predominantly
23 educational in nature.

24 “(E) SCHOOL.—The term ‘school’ means
25 any school which provides elementary education

1 or secondary education (kindergarten through
2 grade 12), as determined under State law. Such
3 a school shall be treated as an eligible edu-
4 cational institution for purposes of subsection
5 (b).”.

6 (b) CONFORMING AMENDMENTS.—Section 529 of
7 such Code is amended by striking “qualified higher edu-
8 cation” each place it appears in subsections (b) and (c)
9 and inserting “qualified education”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2014.

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