

118TH CONGRESS
1ST SESSION

H. R. 6402

To amend the Internal Revenue Code of 1986 to increase the exclusion for educational assistance programs and to allow the exclusion with respect to education-related tools and technology.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2023

Mr. FEENSTRA (for himself and Mr. DAVIS of Illinois) 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 increase the exclusion for educational assistance programs and to allow the exclusion with respect to education-related tools and technology.

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 “Upward Mobility En-
5 hancement Act”.

1 **SEC. 2. INCREASE IN EXCLUSION FOR EDUCATIONAL AS-**
2 **SISTANCE PROGRAMS.**

3 (a) IN GENERAL.—Section 127(a)(2) of the Internal
4 Revenue Code of 1986 is amended to read as follows:

5 “(2) MAXIMUM EXCLUSION.—

6 “(A) IN GENERAL.—This section shall
7 apply only to the first \$12,000 of educational
8 assistance furnished to an individual during a
9 calendar year, in the case of assistance for edu-
10 cation below the graduate level.

11 “(B) INFLATION ADJUSTMENT.—In the
12 case of any calendar year after 2023, the dollar
13 amount in subparagraph (A) shall be increased
14 by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year in which such taxable year be-
19 gins by substituting ‘calendar year 2022’
20 for ‘calendar year 2016’ in subparagraph
21 (A)(ii) thereof.

22 If any increase determined under this subpara-
23 graph is not a multiple of \$50, such increase
24 shall be rounded to the next lowest multiple of
25 \$50.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2022.

4 **SEC. 3. EXPENSES FOR EDUCATION-RELATED TOOLS AND**
5 **TECHNOLOGY.**

6 (a) IN GENERAL.—Section 127(c)(1) of the Internal
7 Revenue Code of 1986 is amended by striking “equip-
8 ment” both places it appears in subparagraphs (A) and
9 (C) thereof and inserting “education-related tools and
10 technology and other equipment”.

11 (b) EDUCATION-RELATED TOOLS AND TECH-
12 NOLOGY.—Section 127(c) of such Code is amended by
13 adding at the end the following new paragraph:

14 “(8) EDUCATION-RELATED TOOLS AND TECH-
15 NOLOGY.—For purposes of paragraph (1), the term
16 ‘education-related tools and technology’ includes
17 any—

18 “(A) hand tools and construction equip-
19 ment,

20 “(B) computer or peripheral equipment (as
21 defined in section 168(i)(2)(B)),

22 “(C) computer software (as defined in sec-
23 tion 197(e)(3)(B)),

1 “(D) internet access and related services
2 (including equipment or technology necessary
3 for internet access),

4 “(E) internet, mobile, or virtual reality
5 learning tools and technology,

6 “(F) licensure fees, materials, or other
7 equipment, and

8 “(G) any other tools or technology as de-
9 termined by the Secretary,

10 provided to an employee which is required for the
11 education of the employee or in connection with a
12 course of instruction for the employee, or is required
13 in order for the employee to obtain professional ad-
14 vancement, to obtain any certification, licensure, or
15 employment under any State, regional or national
16 guidelines or regulations applicable to a trade or
17 other skilled profession, or to maintain such a cer-
18 tification, licensure, or employment through a con-
19 tinuing education program.”.

20 (c) EMPLOYEE RETENTION OF EDUCATION-RE-
21 LATED TOOLS AND TECHNOLOGY.—Section 127(c)(1) of
22 such Code is amended by striking “completion of a course
23 of instruction,” and inserting “completion of a course of
24 instruction (other than education-related tools and tech-
25 nology not described in paragraph (8)(D)),”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or incurred on
3 or after the first day of the calendar quarter which in-
4 cludes the date of the enactment of this Act.

