

Union Calendar No. 799

118TH CONGRESS
2D SESSION

H. R. 8915

[Report No. 118–950]

To amend the Internal Revenue Code of 1986 to expand the expenses treated as qualified higher education expenses for purposes of 529 accounts to include additional elementary and secondary school expenses and certain postsecondary credentialing expenses.

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 2024

Mr. HERN (for himself, Mr. WITTMAN, Mr. COLLINS, and Mr. FINSTAD) introduced the following bill; which was referred to the Committee on Ways and Means

DECEMBER 24, 2024

Additional sponsors: Mrs. HOUCHIN, Mr. WILSON of South Carolina, and Mr. HILL

DECEMBER 24, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on July 2, 2024]

A BILL

To amend the Internal Revenue Code of 1986 to expand the expenses treated as qualified higher education expenses for purposes of 529 accounts to include additional elementary and secondary school expenses and certain postsecondary credentialing 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 “Education and Work-*
 5 *force Freedom Act”.*

6 **SEC. 2. ADDITIONAL ELEMENTARY, SECONDARY, AND HOME**
 7 **SCHOOL EXPENSES TREATED AS QUALIFIED**
 8 **HIGHER EDUCATION EXPENSES FOR PUR-**
 9 **POSES OF 529 ACCOUNTS.**

10 *(a) IN GENERAL.—Section 529(c)(7) of the Internal*
 11 *Revenue Code of 1986 is amended to read as follows:*

12 *“(7) TREATMENT OF ELEMENTARY AND SEC-*
 13 *ONDARY TUITION.—Any reference in this section to*
 14 *the term ‘qualified higher education expense’ shall in-*
 15 *clude a reference to the following expenses in connec-*
 16 *tion with enrollment or attendance at, or for students*
 17 *enrolled at or attending, an elementary or secondary*
 18 *public, private, or religious school:*

19 *“(A) Tuition.*

20 *“(B) Curriculum and curricular materials.*

21 *“(C) Books or other instructional materials.*

22 *“(D) Online educational materials.*

23 *“(E) Tuition for tutoring or educational*
 24 *classes outside of the home, including at a tutor-*

1 *ing facility, but only if the tutor or instructor is*
2 *not related to the student and—*

3 “(i) *is licensed as a teacher in any*
4 *State,*

5 “(ii) *has taught at an eligible edu-*
6 *cational institution, or*

7 “(iii) *is a subject matter expert in the*
8 *relevant subject.*

9 “(F) *Fees for a nationally standardized*
10 *norm-referenced achievement test, an advanced*
11 *placement examination, or any examinations re-*
12 *lated to college or university admission.*

13 “(G) *Fees for dual enrollment in an institu-*
14 *tion of higher education.*

15 “(H) *Educational therapies for students*
16 *with disabilities provided by a licensed or ac-*
17 *credited practitioner or provider, including occu-*
18 *pational, behavioral, physical, and speech-lan-*
19 *guage therapies.*

20 *Such term shall include expenses for the purposes de-*
21 *scribed in subparagraphs (A) through (H) in connec-*
22 *tion with a homeschool (whether treated as a*
23 *homeschool or a private school for purposes of appli-*
24 *cable State law).”.*

1 (b) *EFFECTIVE DATE.*—*The amendment made by this*
 2 *section shall apply to distributions made after the date of*
 3 *the enactment of this Act.*

4 **SEC. 3. CERTAIN POSTSECONDARY CREDENTIALING EX-**
 5 **PENSES TREATED AS QUALIFIED HIGHER**
 6 **EDUCATION EXPENSES FOR PURPOSES OF 529**
 7 **ACCOUNTS.**

8 (a) *IN GENERAL.*—*Section 529(e)(3) of the Internal*
 9 *Revenue Code of 1986 is amended by adding at the end*
 10 *the following new subparagraph:*

11 “(C) CERTAIN POSTSECONDARY
 12 CREDENTIALING EXPENSES.—*The term ‘qualified*
 13 *higher education expenses’ includes qualified*
 14 *postsecondary credentialing expenses (as defined*
 15 *in subsection (f)).”.*

16 (b) *QUALIFIED POSTSECONDARY CREDENTIALING EX-*
 17 *PENSES.*—*Section 529 is amended by redesignating sub-*
 18 *section (f) as subsection (g) and by inserting after sub-*
 19 *section (e) the following new subsection:*

20 “(f) *QUALIFIED POSTSECONDARY CREDENTIALING EX-*
 21 *PENSES.*—*For purposes of this section—*

22 “(1) *IN GENERAL.*—*The term ‘qualified postsec-*
 23 *ondary credentialing expenses’ means—*

24 “(A) *tuition, fees, books, supplies, and*
 25 *equipment required for the enrollment or attend-*

1 *ance of a designated beneficiary in a recognized*
 2 *postsecondary credential program, or any other*
 3 *expense incurred in connection with enrollment*
 4 *in or attendance at a recognized postsecondary*
 5 *credential program if such expense would, if in-*
 6 *curring in connection with enrollment or attend-*
 7 *ance at an eligible educational institution, be*
 8 *covered under subsection (e)(3)(A),*

9 *“(B) fees for testing if such testing is re-*
 10 *quired to obtain or maintain a recognized post-*
 11 *secondary credential, and*

12 *“(C) fees for continuing education if such*
 13 *education is required to maintain a recognized*
 14 *postsecondary credential.*

15 *“(2) RECOGNIZED POSTSECONDARY CREDENTIAL*
 16 *PROGRAM.—For purposes of this subparagraph, the*
 17 *term ‘recognized postsecondary credential program’*
 18 *means any program to obtain a recognized postsec-*
 19 *ondary credential if—*

20 *“(A) such program is included on a State*
 21 *list prepared under section 122(d) of the Work-*
 22 *force Innovation and Opportunity Act (29*
 23 *U.S.C. 3152(d)),*

1 “(B) such program is listed in the WEAMS
2 Public directory (or successor directory) main-
3 tained by the Department of Veterans Affairs,

4 “(C) an examination (developed or admin-
5 istered by an organization widely recognized as
6 providing reputable credentials in the occupa-
7 tion) is required to obtain or maintain such cre-
8 dential and such organization recognizes such
9 program as providing training or education
10 which prepares individuals to take such exam-
11 ination, or

12 “(D) such program is identified by the Sec-
13 retary, after consultation with the Secretary of
14 Labor, as being a reputable program for obtain-
15 ing a recognized postsecondary credential for
16 purposes of this subparagraph.

17 “(3) *RECOGNIZED POSTSECONDARY CREDEN-*
18 *TIAL.*—The term ‘recognized postsecondary credential’
19 means—

20 “(A) any postsecondary employment creden-
21 tial that is industry recognized, including—

22 “(i) any postsecondary employment
23 credential issued by a program that is ac-
24 credited by the Institute for Credentialing
25 Excellence, the National Commission on

1 *Certifying Agencies, or the American Na-*
2 *tional Standards Institute,*

3 “(ii) *any postsecondary employment*
4 *credential that is included in the*
5 *Credentialing Opportunities On-Line*
6 *(COOL) directory of credentialing programs*
7 *(or successor directory) maintained by the*
8 *Department of Defense or by any branch of*
9 *the Armed Services, and*

10 “(iii) *any postsecondary employment*
11 *credential identified for purposes of this*
12 *clause by the Secretary, after consultation*
13 *with the Secretary of Labor, as being indus-*
14 *try recognized,*

15 “(B) *any certificate of completion of an ap-*
16 *prenticeship that is registered and certified with*
17 *the Secretary of Labor under the National Ap-*
18 *prenticeship Act (29 U.S.C. 50),*

19 “(C) *any occupational or professional li-*
20 *cence issued or recognized by a State or the Fed-*
21 *eral Government (and any certification that sat-*
22 *isfies a condition for obtaining such a license),*
23 *and*

24 “(D) *any recognized postsecondary creden-*
25 *tial as defined in section 3(52) of the Workforce*

1 *Innovation and Opportunity Act* (29 U.S.C.
2 3102).”.

3 (c) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply to distributions made after the date of*
5 *the enactment of this Act.*

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