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(Original Signature of Member)

113TH CONGRESS
2D SESSION

H. R.

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

Mr. SALMON introduced the following bill; which was referred to the Committee on _____

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”.

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

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

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

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

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

14 “(i) qualified higher education ex-
15 penses, and

16 “(ii) qualified elementary and sec-
17 ondary education expenses.

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

21 (3) by adding at the end the following new sub-
22 paragraphs:

23 “(D) QUALIFIED ELEMENTARY AND SEC-
24 ONDARY EDUCATION EXPENSES.—

25 “(i) expenses for tuition, fees, aca-
26 demic tutoring, special needs services in

1 the case of a special needs beneficiary,
2 books, supplies, and other equipment which
3 are incurred in connection with the enroll-
4 ment or attendance of the designated bene-
5 ficiary of the trust as an elementary or
6 secondary school student at a public, pri-
7 vate, or religious school,

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

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

23 Clause (iii) shall not include expenses for com-
24 puter software designed for sports, games, or

1 hobbies unless the software is predominantly
2 educational in nature.

3 “(E) SCHOOL.—The term ‘school’ means
4 any school which provides elementary education
5 or secondary education (kindergarten through
6 grade 12), as determined under State law. Such
7 a school shall be treated as an eligible edu-
8 cational institution for purposes of subsection
9 (b).”.

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

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