

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**To H.R. 5193**  
**OFFERED BY MR. THOMAS**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Back to School Tax  
3 Relief Act of 2002”.

4 **SEC. 2. DEDUCTION FOR ELEMENTARY AND SECONDARY**  
5 **EDUCATION EXPENSES.**

6 (a) IN GENERAL.—Section 222 of the Internal Rev-  
7 enue Code of 1986 (relating to qualified tuition and re-  
8 lated expenses) is amended by redesignating subsection (e)  
9 as subsection (f) and by inserting after subsection (d) the  
10 following new subsection:

11 “(e) ELEMENTARY AND SECONDARY EDUCATION EX-  
12 PENSES.—

13 “(1) IN GENERAL.—In the case of a taxpayer  
14 whose adjusted gross income for the taxable year  
15 does not exceed \$20,000 (\$40,000 in the case of a  
16 joint return), qualified tuition and related expenses  
17 shall include the qualified elementary and secondary  
18 education expenses paid by the taxpayer during the  
19 taxable year.

1 “(2) DOLLAR LIMITATION.—

2 “(A) IN GENERAL.—For purposes of para-  
3 graph (1), the amount of qualified elementary  
4 and secondary education expenses taken into  
5 account for a taxable year under this section by  
6 reason of paragraph (1) shall not exceed  
7 \$3,000.

8 “(B) COORDINATION.—For purposes of  
9 this section—

10 “(i) the dollar limitations under sub-  
11 section (b) shall not apply to qualified ele-  
12 mentary and secondary education expenses,  
13 and

14 “(ii) qualified elementary and sec-  
15 ondary education expenses shall not be  
16 taken into account for purposes of apply-  
17 ing the applicable dollar limit under sub-  
18 section (b).

19 “(3) DEFINITIONS.—For purposes of this  
20 subsection—

21 “(A) QUALIFIED ELEMENTARY AND SEC-  
22 ONDARY EDUCATION EXPENSES.—The term  
23 ‘qualified elementary and secondary education  
24 expenses’ has the same meaning given to such  
25 term by section 530(b)(4), except that—

1                   “(i) such term shall not include room  
2                   and board,

3                   “(ii) subparagraph (A)(i) thereof shall  
4                   be applied by including enrollment or at-  
5                   tendance at a home school (as determined  
6                   under State law), and

7                   “(iii) such section shall be applied—

8                                 “(I) by substituting ‘individual’  
9                                 for ‘designated beneficiary of the  
10                                trust’ in subparagraph (A)(i) thereof,

11                               “(II) by substituting ‘an indi-  
12                               vidual with special needs’ for ‘a spe-  
13                               cial needs beneficiary’ in subpara-  
14                               graph (A)(i) thereof, and

15                               “(III) by substituting ‘individual  
16                               and the individual’s family during any  
17                               of the years the individual’ for ‘bene-  
18                               ficiary and the beneficiary’s family  
19                               during any of the years the bene-  
20                               ficiary’ in subparagraph (A)(iii) there-  
21                               of.

22                               “(B) ADJUSTED GROSS INCOME.—Ad-  
23                               justed gross income shall be determined under  
24                               subsection (b)(2)(C).”.

1           (b) TECHNICAL AMENDMENT.—The heading of sec-  
2 tion 62(a)(18) of such Code is amended by striking  
3 “HIGHER EDUCATION” and inserting “QUALIFIED TUI-  
4 TION AND RELATED”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2002.