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

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.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Education and Work-

force Freedom Act”.


SEC. 2. ADDITIONAL ELEMENTARY, SECONDARY, AND HOME SCHOOL EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

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

“(7) Treatment of elementary and secondary tuition.—Any reference in this section to the term ‘qualified higher education expense’ shall include a reference to the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private, or religious school:

“(A) Tuition.

“(B) Curriculum and curricular materials.

“(C) Books or other instructional materials.

“(D) Online educational materials.

“(E) Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—

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

“(ii) has taught at an eligible educational institution, or
“(iii) is a subject matter expert in the
relevant subject.

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

“(G) Fees for dual enrollment in an insti-
tution of higher education.

“(H) Educational therapies for students
with disabilities provided by a licensed or ac-
credited practitioner or provider, including oc-
cupational, behavioral, physical, and speech-lan-
guage therapies.

Such term shall include expenses for the purposes
described in subparagraphs (A) through (H) in con-
nection with a homeschool (whether treated as a
homeschool or a private school for purposes of appli-
cable State law).”.

(b) EFFECTIVE DATE.—The amendment made by
this section shall apply to distributions made after the
date of the enactment of this Act.
SEC. 3. CERTAIN POSTSECONDARY CREDENTIALING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

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

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

(b) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—Section 529 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) QUALIFIED POSTSECONDARY CREDENTIALING EXPENSES.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified postsecondary credentialing expenses’ means—

“(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized post-
secondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subsection (e)(3)(A),

“(B) fees for testing if such testing is required to obtain or maintain a recognized post-secondary credential, and

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

“(2) Recognized postsecondary credential program.—For purposes of this subparagraph, the term ‘recognized postsecondary credential program’ means any program to obtain a recognized postsecondary credential if—

“(A) such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),

“(B) such program is listed in the WEAMS Public directory (or successor directory) maintained by the Department of Veterans Affairs,

“(C) an examination (developed or administered by an organization widely recognized as
providing reputable credentials in the occupa-
tion) is required to obtain or maintain such cre-
dential and such organization recognizes such
program as providing training or education
which prepares individuals to take such exam-
ination, or

“(D) such program is identified by the
Secretary, after consultation with the Secretary
of Labor, as being a reputable program for ob-
taining a recognized postsecondary credential
for purposes of this subparagraph.

“(3) RECOGNIZED POSTSECONDARY CREDEN-
tial.—The term ‘recognized postsecondary creden-
tial’ means—

“(A) any postsecondary employment cre-
dential that is industry recognized, including—

“(i) any postsecondary employment
credential issued by a program that is ac-
credited by the Institute for Credentialing
Excellence, the National Commission on
Certifying Agencies, or the American Na-
tional Standards Institute,

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

“(iii) any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized,

“(B) any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the National Apprenticeship Act (29 U.S.C. 50),

“(C) any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and

“(D) any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).”.
(c) Effective Date.—The amendments made by this subsection shall apply to distributions made after the date of the enactment of this Act.