

117TH CONGRESS  
1ST SESSION

# H. R. 4428

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2021

Mr. SMITH of Missouri (for himself and Mr. DANNY K. DAVIS of Illinois) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 2021, 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 2020’  
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, 2020.

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.

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