117TH CONGRESS
2D SESSION

H. R. 9320

To amend the Internal Revenue Code of 1986 to allow a refundable credit against income tax for tuition expenses incurred for each qualifying child of the taxpayer in attending public or private elementary or secondary school.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 2022

Mr. SMITH of New Jersey 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 allow a refundable credit against income tax for tuition expenses incurred for each qualifying child of the taxpayer in attending public or private elementary or secondary school.

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, Achieve-

5 ment, and Opportunity Act".

6 **SEC. 2. FINDINGS.**

7   Congress finds the following:

2

1   (1) Private schools supplement the public school
2   system and are a vital component of our Nation's
3   school network.

4   (2) The public school system was created to
5   serve students, not the other way around. Children
6   should have the opportunity to attend the school sys-
7   tem that is most conducive to developing their abili-
8   ties, and parents have the right to choose the public
9   or private school that best meets their child's indi-
10   vidual needs.

11 **SEC. 3. CREDIT FOR ELEMENTARY AND SECONDARY EDU-**
12   **CATION EXPENSES.**

13   (a) IN GENERAL.—Subpart C of part IV of sub-
14 chapter A of chapter 1 of the Internal Revenue Code of
15 1986 (relating to refundable credits) is amended by insert-
16 ing after section 36C the following new section:

17 **"SEC. 36D. ELEMENTARY AND SECONDARY EDUCATION EX-**
18   **PENSES.**

19   "(a) ALLOWANCE OF CREDIT.—

20   "(1) IN GENERAL.—In the case of an indi-
21   vidual, there shall be allowed as a credit against the
22   tax imposed by this subtitle for the taxable year the
23   amount of the qualified education expenses paid by
24   the taxpayer during the taxable year for each quali-
25   fying child of the taxpayer.

1 ''(2) AMOUNT PER CHILD.—The amount of

2 credit allowable under paragraph (1) for any taxable

3 year with respect to the qualified education expenses

4 of each qualifying child of the taxpayer shall not ex-

5 ceed $10,000.

6 ''(b) LIMITATION BASED ON ADJUSTED GROSS IN-

7 COME.—

8 ''(1) IN GENERAL.—The amount of the credit

9 allowable under subsection (a) (after the application

10 of subsection (a)(2)) shall be reduced (but not below

11 zero) by $50 for each $1,000 (or fraction thereof) by

12 which the taxpayer's modified adjusted gross income

13 exceeds the threshold amount.

14 ''(2) DEFINITIONS AND SPECIAL RULES.—For

15 purposes of this paragraph (1)—

16 ''(A) THRESHOLD AMOUNT.—The term

17 'threshold amount' means—

18 ''(i) $150,000 in the case of a joint

19 return, and

20 ''(ii) $75,000 in any other case.

21 ''(B) MODIFIED ADJUSTED GROSS IN-

22 COME.—The term 'modified adjusted gross in-

23 come' means adjusted gross income increased

24 by any amount excluded from gross income

25 under section 911, 931, or 933.

1   "(C) MARITAL STATUS.—Marital status

2   shall be determined under section 7703.

3   "(c) DEFINITIONS.—For purposes of this section—

4   "(1) QUALIFYING CHILD.—The term 'qualifying

5 child' has the meaning given such term in section

6 24(c).

7   "(2) QUALIFIED EDUCATION EXPENSES.—

8   "(A) IN GENERAL.—The term 'qualified

9   education expenses' means amounts paid for—

10   "(i) tuition and fees required for the

11   enrollment or attendance of a student at a

12   qualified educational institution, and

13   "(ii) so much of the following non-tui-

14   tion expenses as does not exceed $1,500:

15   "(I) Computers, educational soft-

16   ware, computer support services, and

17   books required for courses of instruc-

18   tion at a qualified educational institu-

19   tion.

20   "(II) Academic tutoring (by a

21   person other than the taxpayer).

22   "(III) Special needs services for

23   qualifying children who are children

24   with disabilities (as such term is de-

25   fined in section 602(3) of the Individ-

1 uals with Disabilities Education Act

2 (20 U.S.C. 1401(3)).

3 "(IV) Fees for transportation

4 services to and from a private school,

5 if the transportation is provided by

6 the school and the school charges a

7 fee for the transportation.

8 "(V) Academic testing services.

9 "(B) AMOUNTS EXCLUDED.—The term

10 does not include special school fees for nonaca-

11 demic purposes, including fees for student ac-

12 tivities, athletics, insurance, school uniforms,

13 and nonacademic after-school activities.

14 "(3) QUALIFIED EDUCATIONAL INSTITUTION.—

15 The term 'qualified educational institution' means

16 any public, charter, private, parochial, or religious

17 school organized for the purpose of providing ele-

18 mentary or secondary education, or both, without re-

19 gard to the religious nature, character, affiliation,

20 mission, beliefs, or exercise of such school.

21 "(d) ADJUSTMENT FOR COVERDELL SAVINGS AC-

22 COUNT DISTRIBUTIONS.—The amount of qualified edu-

23 cation expenses taken into account under subsection (a)

24 with respect to an individual for a taxable year shall be

25 reduced (before the application of subsection (b)) by the

1 sum of any amounts not includible in gross income under

2 section 530(d)(2) for such taxable year by reason of the

3 qualified elementary and secondary education expenses (as

4 defined in section 530(b)(3)) of such individual for such

5 taxable year.''.

6   (b) TECHNICAL AMENDMENTS.—

7   (1) Paragraph (2) of section 1324(b) of title

8   31, United States Code, is amended by inserting

9   "36D," after "36C,".

10   (2) The table of sections for subpart C of part

11   IV of subchapter A of chapter 1 of the Internal Rev-

12   enue Code of 1986 is amended by striking the last

13   item and inserting the following new items:

"Sec. 36D. Elementary and secondary education expenses.''.

14   (c) EFFECTIVE DATE.—The amendments made by

15 this section shall apply to taxable years beginning after

16 the date of the enactment of this Act.

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