AMENDMENT NO. ________  Calendar No. ________

Purpose: To allow limited 529 account funds to be used for elementary and secondary education, including homeschool.


H. R. 1

To: Cruz

By: Cruz

Amendment (No. 1618) proposed by Mr. Hatch

Viz:

1. At the end of part IV of subtitle A of title I, insert the following:

3 SEC. 11033. 529 ACCOUNT FUNDING FOR ELEMENTARY AND SECONDARY EDUCATION.

(a) IN GENERAL.—

(1) IN GENERAL.—Section 529(e) is amended by adding at the end the following new paragraph:

“(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this subsection
to the term ‘qualified higher education expense’ shall include a reference to—

“(A) expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private, or religious school, and

“(B) expenses for—

“(i) curriculum and curricular materials,

“(ii) books or other instructional materials,

“(iii) online educational materials,

“(iv) tuition for tutoring or educational classes outside of the home (but only if the tutor or instructor is not related to the student),

“(v) dual enrollment in an institution of higher education, and

“(vi) educational therapies for students with disabilities,

in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law).”.

(2) LIMITATION.—Section 529(e)(3)(A) is amended by adding at the end the following: “The
amount of cash distributions from all qualified tuition programs described in subsection (b)(1)(A)(ii) with respect to a beneficiary during any taxable year shall, in the aggregate, include not more than $10,000 in expenses described in subsection (c)(7) incurred during the taxable year.".

(b) OFFSET.—Paragraph (2) of section 127(a) is amended—

(1) by striking "$5,250" in the heading and inserting "$2,500", and

(2) by striking "$5,250" each place it appears and inserting "$2,500".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2017.