

107TH CONGRESS  
1ST SESSION

# H. R. 1835

To amend the Internal Revenue Code of 1986 to exclude from gross income computers and Internet access provided by an employer for the personal use of employees.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2001

Mr. WELLER (for himself, Mr. LEWIS of Georgia, Mr. MATSUI, Mr. COLLINS, Mr. McDERMOTT, Mr. TOM DAVIS of Virginia, Mr. ISAKSON, Mr. MORAN of Virginia, Mr. MEEKS of New York, Mrs. JONES of Ohio, Mrs. TAUSCHER, Ms. DEGETTE, Mr. BOUCHER, Ms. MCKINNEY, Mr. GIBBONS, Mr. LANTOS, Mr. BERMAN, Mr. QUINN, Mr. UDALL of Colorado, Mr. STRICKLAND, and Mr. TURNER) 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 exclude from gross income computers and Internet access provided by an employer for the personal use of employees.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EMPLOYER PROVIDED COMPUTERS AND**  
2 **INTERNET ACCESS TREATED AS EDU-**  
3 **CATIONAL ASSISTANCE PROGRAMS.**

4 (a) IN GENERAL.—Paragraph (1) of section 127(c)  
5 of the Internal Revenue Code of 1986 (relating to certain  
6 educational assistance programs) is amended—

7 (1) by striking “and” at the end of subpara-  
8 graph (A), by inserting “and” at the end of sub-  
9 paragraph (B), and by inserting after subparagraph  
10 (B) the following new subparagraph:

11 “(C) the provision, by an employer, of  
12 computer equipment or Internet access for an  
13 employee,” and

14 (2) by inserting “(other than computer equip-  
15 ment and Internet access)” after “supplies” in the  
16 material following subparagraph (C).

17 (b) MAXIMUM EXCLUSION RULE NOT TO APPLY.—  
18 Paragraph (2) of section 127(a) of such Code is  
19 amended—

20 (1) by striking “such assistance” and inserting  
21 “educational assistance described in subsection  
22 (c)(1)(A) or (B)”, and

23 (2) by inserting “FOR CERTAIN EDUCATIONAL  
24 ASSISTANCE PROGRAMS” after “EXCLUSION” in the  
25 heading.

1 (c) DEFINITIONS.—Subsection (c) of section 127 of  
2 such Code is amended by adding at the end the following  
3 new paragraphs:

4 “(8) INTERNET ACCESS.—For purposes of this  
5 section, the term ‘Internet access’ means access to  
6 the Internet (including necessary equipment) pro-  
7 vided by the employer or pursuant to a contract  
8 which is arranged for or entered into by the em-  
9 ployer.

10 “(9) COMPUTER EQUIPMENT.—For purposes of  
11 this section, the term ‘computer equipment’, whether  
12 purchased directly or subsidized by the employer,  
13 includes—

14 “(A) any computer or peripheral equip-  
15 ment (as defined by section 168(i)(2)(B), with-  
16 out regard to clause (iv)(II) of such section),

17 “(B) any software which is loaded into  
18 such computer, and

19 “(C) technical and service support and  
20 other incidental benefits provided in connection  
21 with the employer’s computer educational pro-  
22 gram.”.

23 (d) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to computers and Internet access

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1 provided in taxable years beginning after December 31,  
2 1999.

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