

107TH CONGRESS  
1ST SESSION

# H. R. 316

To amend the Internal Revenue Code of 1986 to allow a refundable credit for education expenses of children receiving or eligible to receive free or reduced price school meals.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. TANCREDO (for himself, Mr. CANTOR, and Mr. BAKER) 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 for education expenses of children receiving or eligible to receive free or reduced price school meals.

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 “Children’s Education  
5 Tax Credit Act”.

1 **SEC. 2. CREDIT FOR EDUCATION EXPENSES OF STUDENTS**  
2 **RECEIVING OR ELIGIBLE TO RECEIVE FREE**  
3 **OR REDUCED PRICE SCHOOL MEALS.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to refundable credits) is amended by redес-  
7 ignating section 35 as section 36 and by inserting after  
8 section 34 the following new section:

9 **“SEC. 35. EDUCATION EXPENSES OF STUDENTS RECEIVING**  
10 **OR ELIGIBLE TO RECEIVE FREE OR RE-**  
11 **DUCTED PRICE SCHOOL MEALS.**

12 “(a) GENERAL RULE.—In the case of an individual,  
13 there shall be allowed as a credit against the tax imposed  
14 by this subtitle for the taxable year the amount of the  
15 qualified education expenses paid by the taxpayer during  
16 the taxable year for the education of any individual—

17 “(1) with respect to whom the taxpayer is al-  
18 lowed a deduction under section 151(c), and

19 “(2) who receives (or is eligible to receive) free  
20 or reduced price meals under the Richard B. Russell  
21 National School Lunch Act or the Child Nutrition  
22 Act of 1966 for the period to which such expenses  
23 relate.

24 “(b) LIMITATION.—The amount allowed as a credit  
25 under subsection (a) for any taxable year with respect to

1 the qualified education expenses of any 1 individual shall  
2 not exceed \$1,500.

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

4 “(1) QUALIFIED EDUCATION EXPENSES.—

5 “(A) IN GENERAL.—The term ‘qualified  
6 education expenses’ means amounts paid for—

7 “(i) tuition and fees required for the  
8 enrollment or attendance of a student at  
9 an eligible educational institution, and

10 “(ii) fees, tutoring, books, supplies,  
11 computer equipment (including related  
12 software and services) and other equip-  
13 ment required for courses of instruction at  
14 an eligible educational institution.

15 “(B) MEALS AND LODGING EXPENSES NOT  
16 INCLUDED.—Such term does not include any  
17 amount paid, directly or indirectly, for meals,  
18 lodging, or similar personal, living, or family ex-  
19 penses. In the event an amount paid for tuition  
20 or fees includes an amount for meals, lodging,  
21 or similar expenses which is not separately stat-  
22 ed, the portion of such amount which is attrib-  
23 utable to meals, lodging, or similar expenses  
24 shall be determined under regulations pre-  
25 scribed by the Secretary.

1           “(C) SPECIAL RULE FOR HOME SCHOOL-  
2           ING.—In the case of education furnished in the  
3           home (as a substitute for public education)  
4           which meets the requirements of State law re-  
5           lating to compulsory school attendance, the  
6           term ‘qualified education expenses’ means  
7           amounts paid for tutoring, books, supplies,  
8           computer equipment (including related software  
9           and services), and other equipment used in fur-  
10          nishing such education.

11          “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—  
12          The term ‘eligible educational institution’ means—

13                 “(A) a secondary school,

14                 “(B) an elementary school, or

15                 “(C) any private, parochial, religious, or  
16           home school organized for the purpose of pro-  
17           viding elementary or secondary education, or  
18           both.

19          “(3) ELEMENTARY AND SECONDARY  
20          SCHOOLS.—The terms ‘elementary school’ and ‘sec-  
21          ondary school’ have the respective meanings given  
22          such terms by section 14101 of the Elementary and  
23          Secondary Education Act of 1965.

24          “(d) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.—  
25          The amounts otherwise taken into account under sub-

1 section (a) as qualified education expenses of any indi-  
2 vidual during any period shall be reduced (before the ap-  
3 plication of subsection (b)) by the sum of the amounts  
4 received with respect to such individual for the taxable  
5 year as a qualified scholarship which under section 117  
6 is not includable in gross income.

7 “(e) REGULATIONS.—The Secretary shall prescribe  
8 such regulations as may be necessary to carry out the pro-  
9 visions of this section.”

10 (b) TECHNICAL AMENDMENTS.—

11 (1) Paragraph (2) of section 1324(b) of title  
12 31, United States Code, is amended by striking “or”  
13 after “1978,” and by inserting before the period “,  
14 or enacted by the Children’s Education Tax Credit  
15 Act”.

16 (2) The table of sections for subpart C of part  
17 IV of subchapter A of chapter 1 of such Code is  
18 amended by striking the last item and inserting the  
19 following new items:

“Sec. 35. Education expenses of students receiving or eligible to  
receive free or reduced price school meals.

“Sec. 36. Overpayments of tax.”

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to taxable years beginning after  
22 the date of the enactment of this Act.

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