

108TH CONGRESS
1ST SESSION

H. R. 872

To amend the Internal Revenue Code of 1986 to clarify that church employees are eligible for the exclusion for qualified tuition reduction programs of charitable educational organizations.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2003

Mr. CAMP (for himself, Mr. KENNEDY of Minnesota, Mr. PITTS, Mr. SCHROCK, Mr. BARTLETT of Maryland, Mr. ENGLISH, Mr. ISAKSON, and Mr. GOODE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to clarify that church employees are eligible for the exclusion for qualified tuition reduction programs of charitable educational organizations.

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 “Equity in Education
5 Act of 2003”.

1 **SEC. 2. CLARIFICATION OF ELIGIBILITY OF CHURCH EM-**
2 **PLOYEES FOR EXCLUSION FOR QUALIFIED**
3 **TUITION REDUCTION PROGRAMS OF CHARI-**
4 **TABLE EDUCATIONAL ORGANIZATIONS.**

5 (a) IN GENERAL.—Paragraph (2) of section 117(d)
6 of the Internal Revenue Code of 1986 (defining qualified
7 tuition reduction) is amended to read as follows:

8 “(2) QUALIFIED TUITION REDUCTION.—For
9 purposes of this subsection—

10 “(A) IN GENERAL.—The term ‘qualified
11 tuition reduction’ means the amount of any re-
12 duction in tuition provided to an employee of—

13 “(i) an organization described in sec-
14 tion 170(b)(1)(A)(ii), or

15 “(ii) an organization described in sec-
16 tion 170(b)(1)(A)(i) that owns and oper-
17 ates or controls an organization described
18 in section 170(b)(1)(A)(ii),

19 for the education (below the graduate level) at
20 the organization described in clause (i) (or an-
21 other organization described in section
22 170(b)(1)(A)(ii)) of a person described in sub-
23 paragraph (B).

24 “(B) PERSON DESCRIBED.—A person is
25 described in this subparagraph if such person
26 is—

1 “(i) the employee referred to in sub-
2 paragraph (A), or

3 “(ii) any person treated as an em-
4 ployee (or whose use is treated as an em-
5 ployee use) under the rules of section
6 132(h).”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years ending after the
9 date of the enactment of this Act.

○