To amend the Internal Revenue Code of 1986 to permit kindergarten through grade 12 educational expenses to be paid from a 529 account.

IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2019

Mr. CRUZ (for himself, Mr. JOHNSON, Mr. SASSE, Mr. PAUL, Mr. BLUNT, Mr. COTTON, Mr. TOOMEY, Mr. LANKFORD, and Mr. LEE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permit kindergarten through grade 12 educational expenses to be paid from a 529 account.

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 “Student Empowerment
5 Act”.

SEC. 2. 529 ACCOUNT FUNDING FOR HOMESCHOOL AND ADDITIONAL ELEMENTARY AND SECONDARY EXPENSES.

(a) IN GENERAL.—Section 529(c)(7) of the Internal Revenue Code of 1986 is amended to read as follows:

“(7) TREATMENT OF ELEMENTARY AND SECONDARY TUITION.—Any reference in this section to the term ‘qualified higher education expense’ shall include a reference to the following expenses in connection with enrollment or attendance at, or for students enrolled at or attending, an elementary or secondary public, private, or religious school:

“(A) Tuition.

“(B) Curriculum and curricular materials.

“(C) Books or other instructional materials.

“(D) Online educational materials.

“(E) Tuition for tutoring or educational classes outside of the home, including at a tutoring facility, but only if the tutor or instructor is not related to the student and—

“(i) is licensed as a teacher in any State,

“(ii) has taught at an eligible educational institution, or
“(iii) is a subject matter expert in the relevant subject.

“(F) Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination, or any examinations related to college or university admission.

“(G) Fees for dual enrollment in an institution of higher education.

“(H) Educational therapies for students with disabilities provided by a licensed or accredited practitioner or provider, including occupational, behavioral, physical, and speech-language therapies. Such term shall include expenses for the purposes described in subparagraphs (A) through (H) in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after the date of the enactment of this Act.