

116TH CONGRESS
2D SESSION

S. 4488

To amend the Internal Revenue Code of 1986 to allow deductions for unreimbursed business expenses, dependent care expenses, and elementary school education expenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2020

Mr. PAUL 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 allow deductions for unreimbursed business expenses, dependent care expenses, and elementary school education expenses, and for other purposes.

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 “Tax Relief for Families
5 Suffering from Government-Mandated Shutdowns Act”.

1 **SEC. 2. TREATMENT OF DEDUCTION FOR CERTAIN BUSI-**
2 **NESS EXPENSES.**

3 (a) IN GENERAL.—Section 62(a)(1) of the Internal
4 Revenue Code of 1986 is amended by striking “, if such
5 trade or business does not consist of the performance of
6 services by the taxpayer as an employee”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 62 of the Internal Revenue Code of
9 1986 is amended—

10 (A) in subsection (a), by striking para-
11 graph (2), and

12 (B) by striking subsections (b), (c), and
13 (d) and redesignating subsections (e) and (f) as
14 subsections (c) and (d), respectively.

15 (2) Section 162(o) of such Code is amended—

16 (A) in paragraph (1)—

17 (i) by striking “such services” and all
18 that follows through “allowable as a deduc-
19 tion” and inserting “such services, the
20 amount allowable as a deduction”,

21 (ii) by striking “; and” and inserting
22 a period, and

23 (iii) by striking subparagraph (B),
24 and

25 (B) by striking paragraph (2) and redesi-
26 gnating paragraph (3) as paragraph (2).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2019.

4 **SEC. 3. DEDUCTION FOR CHILD AND DEPENDENT CARE EX-**
5 **PENSES.**

6 (a) IN GENERAL.—Part VII of subchapter B of chap-
7 ter 1 of the Internal Revenue Code of 1986 is amended
8 by redesignating section 224 as section 225 and by insert-
9 ing after section 223 the following new section:

10 **“SEC. 224. HOUSEHOLD AND DEPENDENT CARE SERVICES**
11 **NECESSARY FOR GAINFUL EMPLOYMENT.**

12 “(a) IN GENERAL.—In the case of an individual,
13 there shall be allowed as a deduction an amount equal to
14 the employment-related expenses (as defined in section
15 21(b)(2)) paid by such individual during the taxable year.

16 “(b) COORDINATION WITH OTHER BENEFITS.—For
17 purposes of subsection (a), there shall not be taken into
18 account any expenses—

19 “(1) which were excluded from gross income
20 under section 129 for the taxable year, or

21 “(2) which were taken into account in deter-
22 mining the amount of the credit allowed under sec-
23 tion 21 for the taxable year.”.

1 (b) TREATMENT OF DEDUCTION.—Section 62(a) of
2 the Internal Revenue Code of 1986 is amended by insert-
3 ing after paragraph (22) the following new paragraph:

4 “(23) HOUSEHOLD AND DEPENDENT CARE
5 SERVICES.—The deduction under section 224.”.

6 (c) ELECTION WITH RESPECT TO CREDIT.—Section
7 21(e) of such Code is amended by adding at the end the
8 following new paragraph:

9 “(11) ELECTION TO DISREGARD EXPENDI-
10 TURES.—Under such rules, and in such form and
11 manner, as the Secretary may provide, a taxpayer
12 may elect not to have this section apply with respect
13 to any amount of employment-related expenses de-
14 termined by the taxpayer.”.

15 (d) CLERICAL AMENDMENT.—The table of section 3
16 for part VII of subchapter B of chapter 1 of such Code
17 is amended by redesignating the item relating to section
18 224 as relating to section 225 and by inserting after the
19 item relating to section 223 the following new item:

“Sec. 224. Household and dependent care services necessary for gainful em-
ployment.”.

20 (e) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2019.

1 **SEC. 4. DEDUCTION FOR ELEMENTARY AND SECONDARY**
 2 **SCHOOL EXPENSES.**

3 (a) IN GENERAL.—Part VII of subchapter B of chap-
 4 ter 1 of the Internal Revenue Code of 1986, as amended
 5 by section 3, is amended by redesignating section 225 as
 6 section 226 and by inserting after section 224 the fol-
 7 lowing new section:

8 **“SEC. 225. ELEMENTARY AND SECONDARY SCHOOL EX-**
 9 **PENSES.**

10 “(a) IN GENERAL.—In the case of an individual,
 11 there shall be allowed as a deduction an amount equal to
 12 the sum of—

13 “(1) the eligible elementary and secondary
 14 school tuition and related expenses paid by such in-
 15 dividual during the taxable year, plus

16 “(2) so much of the eligible elementary and sec-
 17 ondary qualified expenses paid by such individual
 18 during the taxable year as does not exceed \$1,000.

19 “(b) DEFINITIONS.—For purposes of this section—

20 “(1) ELIGIBLE ELEMENTARY AND SECONDARY
 21 SCHOOL TUITION AND RELATED EXPENSES.—The
 22 term ‘eligible elementary and secondary school tui-
 23 tion and related expenses’ means, with respect to
 24 any dependent of the taxpayer—

25 “(A) expenses for tuition, fees, academic
 26 tutoring, special needs services in the case of a

1 special needs individual, which are incurred in
2 connection with the enrollment or attendance of
3 such dependent of the taxpayer as an elemen-
4 tary or secondary school student at a public,
5 private, or religious school, and

6 “(B) expenses for room and board, uni-
7 forms, transportation, and supplementary items
8 and services (including extended day programs)
9 which are required or provided by a public, pri-
10 vate, or religious school in connection with such
11 enrollment or attendance.

12 “(2) ELIGIBLE ELEMENTARY AND SECONDARY
13 QUALIFIED EXPENSES.—The term ‘eligible elemen-
14 tary and secondary qualified expenses’ means, with
15 respect to any dependent of the taxpayer—

16 “(A) expenses for books, supplies, and
17 other equipment which are incurred in connec-
18 tion with the enrollment or attendance of such
19 dependent as an elementary or secondary school
20 student at a public, private, or religious school,
21 and

22 “(B) expenses for the purchase of any
23 computer technology or equipment or internet
24 access and related services, if such technology,
25 equipment, or services are to be used by such

1 dependent or the taxpayer, the taxpayer's
2 spouse, or any other dependent of the taxpayer
3 during any of the years such dependent is in
4 school.

5 “(3) SCHOOL.—The term ‘school’ means any
6 school (including a homeschool) which provides ele-
7 mentary education or secondary education (kinder-
8 garten through grade 12), as determined under
9 State law.

10 “(4) COMPUTER TECHNOLOGY OR EQUIP-
11 MENT.—The term ‘computer technology or equip-
12 ment’ means computer software (as defined by sec-
13 tion 197(e)(3)(B)), computer or peripheral equip-
14 ment (as defined by section 168(i)(2)(B)), and fiber
15 optic cable related to computer use.

16 “(c) COORDINATION WITH OTHER BENEFITS.—For
17 purposes of subsection (a), there shall not be taken into
18 account any expenses which are not included in income
19 under section 529 or 530.”.

20 (b) TREATMENT OF DEDUCTION.—Section 62(a) of
21 the Internal Revenue Code of 1986, as amended by section
22 3, is amended by inserting after paragraph (23) the fol-
23 lowing new paragraph:

24 “(24) ELEMENTARY AND SECONDARY SCHOOL
25 EXPENSES.—The deduction under section 225.”.

1 (c) CLERICAL AMENDMENT.—The table of section 3
 2 for part VII of subchapter B of chapter 1 of such Code,
 3 as amended by section 3, is amended by redesignating the
 4 item relating to section 225 as relating to section 226 and
 5 by inserting after the item relating to section 224 the fol-
 6 lowing new item:

“Sec. 225. Elementary and secondary school expenses.”.

7 (d) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to taxable years beginning after
 9 December 31, 2019.

10 **SEC. 5. DEDUCTION FOR CERTAIN INTERNET EXPENSES IN**
 11 **2020.**

12 (a) IN GENERAL.—Section 62(a) of the Internal Rev-
 13 enue Code of 1986, as amended by sections 3 and 4, is
 14 amended by inserting after paragraph (24) the following
 15 new paragraph:

16 “(25) INTERNET EXPENSES.—In the case of
 17 taxable years beginning in 2020, the amount (not to
 18 exceed \$500) of expenses paid or incurred for access
 19 to the internet (including data charges).”.

20 (b) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to taxable years beginning after
 22 December 31, 2019.

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