To amend the Internal Revenue Code of 1986 to expand and modify employer educational assistance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2021

Ms. HASSAN (for herself, Mr. YOUNG, Ms. CORTEZ MASTO, and Mr. SCOTT of South Carolina) 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 expand and modify employer educational assistance programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Upskilling and Retraining Assistance Act”.

SEC. 2. TEMPORARY INCREASE IN EXCLUSION FOR EDUCATIONAL ASSISTANCE PROGRAMS.

In the case of taxable years beginning after December 31, 2020, and before January 1, 2023, section 127(a)(2)
of the Internal Revenue Code of 1986 shall be applied by substituting “$12,000” for “$5,250” each place it appears.

### SEC. 3. EXPENSES FOR EDUCATION-RELATED TOOLS AND TECHNOLOGY.

(a) **In General.**—Paragraph (1) of section 127(c) of the Internal Revenue Code of 1986 is amended by striking “equipment” both places it appears in subparagraphs (A) and (C) thereof and inserting “education-related tools and technology and other equipment”.

(b) **Education-Related Tools and Technology.**—Subsection (c) of section 127 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

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“(8) EDUCATION-RELATED TOOLS AND TECHNOLOGY.—For purposes of paragraph (1), the term ‘education-related tools and technology’ includes any—

“(A) hand tools and construction equipment,

“(B) computer or peripheral equipment (as defined in section 168(i)(2)(B)),

“(C) computer software (as defined in section 197(e)(3)(B)),
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“(D) Internet access and related services (including equipment or technology necessary for Internet access),

“(E) Internet, mobile, or virtual reality learning tools and technology,

“(F) licensure fees, materials, or other equipment, and

“(G) any other tools or technology as determined by the Secretary,

provided to an employee which is required for the education of the employee or in connection with a course of instruction for the employee, or is required in order for the employee to obtain professional advancement, to obtain any certification, licensure, or employment under any State, regional or national guidelines or regulations applicable to a trade or other skilled profession, or to maintain such a certification, licensure, or employment through a continuing education program.”.

(c) Employee Retention of Education-Related Tools and Technology.—Paragraph (1) of section 127(c) of the Internal Revenue Code of 1986 is amended by striking “completion of a course of instruction,” and inserting “completion of a course of instruction
(other than education-related tools and technology not described in paragraph (8)(D)),”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the first day of the calendar quarter which includes the date of the enactment of this Act.