To amend the Internal Revenue Code of 1986 to permit certain expenses associated with obtaining or maintaining recognized postsecondary credentials to be treated as qualified higher education expenses for purposes of 529 accounts.

IN THE HOUSE OF REPRESENTATIVES
MARCH 8, 2023
Mr. WITTMAN (for himself and Ms. SPANBERGER) 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 permit certain expenses associated with obtaining or maintaining recognized postsecondary credentials to be treated as qualified higher education expenses for purposes of 529 accounts.

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 “Freedom To Invest
5 in Tomorrow’s Workforce Act”.

SEC. 2. CERTAIN CAREER TRAINING AND CREDENTIALING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—Section 529(e)(3) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

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(C) CERTAIN CAREER TRAINING AND CREDENTIALING EXPENSES.—

(i) IN GENERAL.—The term ‘qualified higher education expenses’ includes—

(I) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of an individual in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subparagraph (e)(3)(A),

(II) fees required to obtain or maintain a recognized postsecondary
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credential (as defined in section 3(52) of the Workforce Innovation and Opportunity Act), including certificate or certification programs that are accredited by the National Commission on Certifying Agencies or the American National Standards Institute, or any postsecondary credential identified in regulations or guidance promulgated by the Internal Revenue Service, in consultation with the Department of Labor, for purposes of this subclause, and

“(III) fees for testing and other fees required by the organization issuing the recognized postsecondary credential as a condition of maintaining or obtaining the credential.

“(ii) Recognized postsecondary credential program.—For purposes of this paragraph, the term ‘recognized postsecondary credential program’ means a program to obtain a recognized postsecondary credential if such program is included on a list prepared under section
122(d) of the Workforce Innovation and Opportunity Act or meets the training or educational prerequisites to qualify an individual to take an examination developed or administered by an organization widely recognized as providing reputable credentials in the occupation, where such examination is required to obtain or maintain a recognized postsecondary credential.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid or incurred in taxable years beginning after the date of the enactment of this Act.