

119TH CONGRESS
1ST SESSION

S. 756

To amend the Internal Revenue Code of 1986 to treat certain postsecondary credentialing expenses as qualified higher education expenses for purposes of 529 accounts.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 2025

Ms. KLOBUCHAR (for herself, Mr. MARSHALL, Mr. WELCH, and Ms. COLLINS) 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 treat certain postsecondary credentialing expenses 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 in
5 Tomorrow’s Workforce Act”.

1 **SEC. 2. CERTAIN POSTSECONDARY CREDENTIALING EX-**
 2 **PENSES TREATED AS QUALIFIED HIGHER**
 3 **EDUCATION EXPENSES FOR PURPOSES OF**
 4 **529 ACCOUNTS.**

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

8 “(C) CERTAIN POSTSECONDARY
 9 CREDENTIALING EXPENSES.—The term ‘quali-
 10 fied higher education expenses’ includes quali-
 11 fied postsecondary credentialing expenses (as
 12 defined in subsection (f)).”.

13 (b) QUALIFIED POSTSECONDARY CREDENTIALING
 14 EXPENSES.—Section 529 of such Code is amended by re-
 15 designating subsection (f) as subsection (g) and by insert-
 16 ing after subsection (e) the following new subsection:

17 “(f) QUALIFIED POSTSECONDARY CREDENTIALING
 18 EXPENSES.—For purposes of this section—

19 “(1) IN GENERAL.—The term ‘qualified post-
 20 secondary credentialing expenses’ means—

21 “(A) tuition, fees, books, supplies, and
 22 equipment required for the enrollment or at-
 23 tendance of a designated beneficiary in a recog-
 24 nized postsecondary credential program, or any
 25 other expense incurred in connection with en-
 26 rollment in or attendance at a recognized post-

secondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subsection (e)(3)(A),

“(B) fees for testing if such testing is required to obtain or maintain a recognized postsecondary credential, and

“(C) fees for continuing education if such education is required to maintain a recognized postsecondary credential.

“(2) RECOGNIZED POSTSECONDARY CREDENTIAL PROGRAM.—The term ‘recognized postsecondary credential program’ means any program to obtain a recognized postsecondary credential if—

“(A) such program is included on a State list prepared under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)),

“(B) such program is listed in the public directory of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration, or successor directory such program,

“(C) an examination (developed or administered by an organization widely recognized as

1 providing reputable credentials in the occupa-
 2 tion) is required to obtain or maintain such cre-
 3 dential and such organization recognizes such
 4 program as providing training or education
 5 which prepares individuals to take such exam-
 6 ination, or

7 “(D) such program is identified by the
 8 Secretary, after consultation with the Secretary
 9 of Labor, as being a reputable program for ob-
 10 taining a recognized postsecondary credential
 11 for purposes of this subparagraph.

12 “(3) RECOGNIZED POSTSECONDARY CREDEN-
 13 TIAL.—The term ‘recognized postsecondary creden-
 14 tial’ means—

15 “(A) any postsecondary employment cre-
 16 dential that is industry recognized and is—

17 “(i) any postsecondary employment
 18 credential issued by a program that is ac-
 19 credited by the Institute for Credentialing
 20 Excellence, the National Commission on
 21 Certifying Agencies, or the American Na-
 22 tional Standards Institute,

23 “(ii) any postsecondary employment
 24 credential that is included in the
 25 Credentialing Opportunities On-Line

(COOL) directory of credentialing programs (or successor directory) maintained by the Department of Defense or by any branch of the Armed Forces, or

“(iii) any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized,

“(B) any certificate of completion of an apprenticeship that is registered and certified with the Secretary of Labor under the Act of August 16, 1937 (commonly known as the ‘National Apprenticeship Act’; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.),

“(C) any occupational or professional license issued or recognized by a State or the Federal Government (and any certification that satisfies a condition for obtaining such a license), and

“(D) any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)), provided through a program described in paragraph (2)(A).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to distributions made after the
3 date of the enactment of this Act.

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