

106TH CONGRESS
1ST SESSION

H. R. 1710

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses of attending elementary and secondary schools and for contributions to such schools and to charitable organizations which provide scholarships for children to attend such schools.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 1999

Mr. SALMON (for himself, Mr. HAYWORTH, Mr. GARY MILLER of California, Ms. PRYCE of Ohio, Mr. MCINTOSH, Mr. SENSENBRENNER, Mr. LARGENT, Mr. FORBES, Mr. PICKERING, Mr. CUNNINGHAM, Mr. LATOURETTE, Mr. SHADEGG, Mr. HOSTETTLER, Mr. HILL of Montana, and Mrs. WILSON) 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 allow a credit against income tax for expenses of attending elementary and secondary schools and for contributions to such schools and to charitable organizations which provide scholarships for children to attend such schools.

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 “K–12 Education Excel-
5 lence Now Act of 1999”.

1 **SEC. 2. CREDIT FOR ELEMENTARY AND SECONDARY**
 2 **SCHOOL EXPENSES AND FOR CONTRIBU-**
 3 **TIONS TO SUCH SCHOOLS AND TO CHARI-**
 4 **TABLE ORGANIZATIONS WHICH PROVIDE**
 5 **SCHOLARSHIPS FOR STUDENTS ATTENDING**
 6 **SUCH SCHOOLS.**

7 (a) IN GENERAL.—Subpart B of part IV of sub-
 8 chapter A of chapter 1 of the Internal Revenue Code of
 9 1986 is amended by adding at the end the following new
 10 section:

11 **“SEC. 30B. CREDIT FOR ELEMENTARY AND SECONDARY**
 12 **SCHOOL EXPENSES AND FOR CONTRIBU-**
 13 **TIONS TO SUCH SCHOOLS AND TO CHARI-**
 14 **TABLE ORGANIZATIONS WHICH PROVIDE**
 15 **SCHOLARSHIPS FOR STUDENTS ATTENDING**
 16 **SUCH SCHOOLS.**

17 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 18 lowed as a credit against the tax imposed by this chapter
 19 for the taxable year an amount equal to the sum of—

20 “(1) the qualified elementary and secondary
 21 education expenses which are paid or incurred by
 22 the taxpayer during such taxable year, and

23 “(2) the qualified charitable contributions of
 24 the taxpayer for the taxable year.

25 “(b) MAXIMUM CREDIT.—The credit allowed by sub-
 26 section (a) for any taxable year shall not exceed—

1 “(1) \$100 in the case of taxable years begin-
2 ning in calendar year 1999,

3 “(2) \$150 in the case of taxable years begin-
4 ning in calendar year 2000,

5 “(3) \$200 in the case of taxable years begin-
6 ning in calendar year 2001, and

7 “(4) \$250 in the case of taxable years begin-
8 ning after calendar year 2001.

9 In the case of a joint return, the limitation under this sub-
10 section shall be twice the dollar amount otherwise applica-
11 ble under the preceding sentence.

12 “(c) QUALIFIED ELEMENTARY AND SECONDARY
13 EDUCATION EXPENSES.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified elemen-
15 tary and secondary education expenses’ means tui-
16 tion, fees, tutoring, special needs services, books,
17 supplies, computer equipment (including related
18 software and services) and other equipment, trans-
19 portation, and supplementary expenses required for
20 the enrollment or attendance of any individual at a
21 public, private, or religious elementary or secondary
22 school.

23 “(2) SPECIAL RULE FOR HOME-SCHOOLING.—
24 Such term shall include expenses described in para-
25 graph (1) required for education provided for

1 homeschooling if the requirements of any applicable
 2 State or local law are met with respect to such edu-
 3 cation.

4 “(3) TEACHER-PROVIDED MATERIALS.—In the
 5 case of an individual who is a teacher at an elemen-
 6 tary or secondary school, such term includes
 7 amounts paid by the individual for materials used by
 8 such individual in the classroom.

9 “(4) ELEMENTARY OR SECONDARY SCHOOL.—
 10 The term ‘elementary or secondary school’ means
 11 any school which provides elementary education or
 12 secondary education (through grade 12), as deter-
 13 mined under State law.

14 “(d) QUALIFIED CHARITABLE CONTRIBUTION.—For
 15 purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified chari-
 17 table contribution’ means, with respect to any tax-
 18 able year, the amount allowable as a deduction
 19 under section 170 for cash contributions to—

20 “(A) an elementary or secondary school, or

21 “(B) a school tuition organization.

22 “(2) SCHOOL TUITION ORGANIZATION.—

23 “(A) IN GENERAL.—The term ‘school tui-
 24 tion organization’ means any organization de-
 25 scribed in section 170(c)(2) if the annual dis-

1 bursements of the organization for elementary
2 and secondary school scholarship are normally
3 not less than 90 percent of the sum of such or-
4 ganization's annual gross income and contribu-
5 tions and gifts.

6 “(B) EXCEPTIONS.—Such term shall not
7 include any organization if substantially all of
8 its scholarships (by value) may be used to at-
9 tend only 1 school.

10 “(C) ELEMENTARY AND SECONDARY
11 SCHOOL SCHOLARSHIP.—The term ‘elementary
12 and secondary school scholarship’ means any
13 scholarship excludable from gross income under
14 section 117 for expenses related to education at
15 an elementary or secondary school.

16 “(e) SPECIAL RULES.—

17 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-
18 tion shall be allowed under this chapter for any con-
19 tribution for which credit is allowed under this sec-
20 tion.

21 “(2) APPLICATION WITH OTHER CREDITS.—
22 The credit allowable under subsection (a) for any
23 taxable year shall not exceed the excess (if any) of—

24 “(A) the regular tax for the taxable year,
25 reduced by the sum of the credits allowable

1 under subpart A and the preceding sections of
 2 this subpart, over

3 “(B) the tentative minimum tax for the
 4 taxable year.

5 “(3) CONTROLLED GROUPS.—All persons who
 6 are treated as one employer under subsection (a) or
 7 (b) of section 52 shall be treated as 1 taxpayer for
 8 purposes of this section.

9 “(f) ELECTION TO HAVE CREDIT NOT APPLY.—A
 10 taxpayer may elect to have this section not apply for any
 11 taxable year.”

12 (b) CLERICAL AMENDMENT.—The table of sections
 13 for subpart B of part IV of subchapter A of chapter 1
 14 of such Code is amended by adding at the end the fol-
 15 lowing new item:

“Sec. 30B. Credit for elementary and secondary school expenses
 and for contributions to such schools and to chari-
 table organizations which provide scholarships for
 students attending such schools.”

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to taxable years beginning after
 18 December 31, 1998.

○