

106TH CONGRESS  
1ST SESSION

# H. R. 600

To amend the Internal Revenue Code of 1986 to allow a refundable credit for education expenses.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1999

Mr. ROGAN (for himself, Mr. TANCREDI, Mr. ARMEY, Mr. WATTS of Oklahoma, Ms. DUNN, Mr. BILIRAKIS, Mr. NORWOOD, and Mr. FORBES) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable credit for education expenses.

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 “Children’s Education  
5 Tax Credit Act”.

6 **SEC. 2. CREDIT FOR EDUCATION EXPENSES.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 (relating to refundable credits) is amended by redess-

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1 ignating section 35 as section 36 and by inserting after  
 2 section 34 the following new section:

3 **“SEC. 35. EDUCATION EXPENSES.**

4       “(a) GENERAL RULE.—In the case of an individual,  
 5 there shall be allowed as a credit against the tax imposed  
 6 by this subtitle for the taxable year the amount of the  
 7 qualified education expenses paid by the taxpayer during  
 8 the taxable year for the education of any individual with  
 9 respect to whom the taxpayer is allowed a deduction under  
 10 section 151(c).

11       “(b) LIMITATION.—The amount allowed as a credit  
 12 under subsection (a) for any taxable year with respect to  
 13 the qualified education expenses of any 1 individual shall  
 14 not exceed \$1,000.

15       “(c) DEFINITIONS.—For purposes of this section—

16               “(1) QUALIFIED EDUCATION EXPENSES.—

17                       “(A) IN GENERAL.—The term ‘qualified  
 18 education expenses’ means amounts paid for—

19                               “(i) tuition and fees required for the  
 20 enrollment or attendance of a student at  
 21 an eligible educational institution, and

22                               “(ii) fees, tutoring, books, supplies,  
 23 computer equipment (including related  
 24 software and services) and other equip-

1                   ment required for courses of instruction at  
2                   an eligible educational institution.

3                   “(B) MEALS AND LODGING EXPENSES NOT  
4 INCLUDED.—Such term does not include any  
5 amount paid, directly or indirectly, for meals,  
6 lodging, or similar personal, living, or family ex-  
7 penses. In the event an amount paid for tuition  
8 or fees includes an amount for meals, lodging,  
9 or similar expenses which is not separately stat-  
10 ed, the portion of such amount which is attrib-  
11 utable to meals, lodging, or similar expenses  
12 shall be determined under regulations pre-  
13 scribed by the Secretary.

14                   “(C) SPECIAL RULE FOR HOME SCHOOL-  
15 ING.—In the case of education furnished in the  
16 home (as a substitute for public education)  
17 which meets the requirements of State law re-  
18 lating to compulsory school attendance, the  
19 term ‘qualified education expenses’ means  
20 amounts paid for tutoring, books, supplies,  
21 computer equipment (including related software  
22 and services), and other equipment used in fur-  
23 nishing such education.

24                   “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—  
25                   The term ‘eligible educational institution’ means—

1 “(A) a secondary school,

2 “(B) an elementary school, or

3 “(C) any private, parochial, religious, or  
4 home school organized for the purpose of pro-  
5 viding elementary or secondary education, or  
6 both.

7 “(3) ELEMENTARY AND SECONDARY  
8 SCHOOLS.—The terms ‘elementary school’ and ‘sec-  
9 ondary school’ have the respective meanings given  
10 such terms by section 14101 of the Elementary and  
11 Secondary Education Act of 1965.

12 “(d) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.—  
13 The amounts otherwise taken into account under sub-  
14 section (a) as qualified education expenses of any individ-  
15 ual during any period shall be reduced (before the applica-  
16 tion of subsection (b)) by the sum of the amounts received  
17 with respect to such individual for the taxable year as a  
18 qualified scholarship which under section 117 is not in-  
19 cludable in gross income.

20 “(e) REGULATIONS.—The Secretary shall prescribe  
21 such regulations as may be necessary to carry out the pro-  
22 visions of this section.”

23 (b) TECHNICAL AMENDMENTS.—

24 (1) Paragraph (2) of section 1324(b) of title  
25 31, United States Code, is amended by striking “or”

1 after “1978,” and by inserting before the period  
2 “, or enacted by the Children’s Education Tax Cred-  
3 it Act”.

4 (2) The table of sections for subpart C of part  
5 IV of subchapter A of chapter 1 of such Code is  
6 amended by striking the last item and inserting the  
7 following new items:

“Sec. 35. Education expenses.  
“Sec. 36. Overpayments of tax.”

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to taxable years beginning after  
10 the date of the enactment of this Act.

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