

107TH CONGRESS  
2D SESSION

# H. R. 4950

To amend the Internal Revenue Code of 1986 to clarify that church employees are eligible for the exclusion for qualified tuition reduction programs of charitable educational organizations.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2002

Mr. CAMP (for himself and Mr. KENNEDY of Minnesota) 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 clarify that church employees are eligible for the exclusion for qualified tuition reduction programs of charitable educational organizations.

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 “Equity in Education

5       Act of 2002”.

1   **SEC. 2. CLARIFICATION OF ELIGIBILITY OF CHURCH EM-**  
2                   **PLOYEES FOR EXCLUSION FOR QUALIFIED**  
3                   **TUITION REDUCTION PROGRAMS OF CHARI-**  
4                   **TABLE EDUCATIONAL ORGANIZATIONS.**

5       (a) IN GENERAL.—Paragraph (2) of section 117(d)  
6 of the Internal Revenue Code of 1986 (defining qualified  
7 tuition reduction) is amended to read as follows:

8               “(2) QUALIFIED TUITION REDUCTION.—For  
9 purposes of this subsection—

10               “(A) IN GENERAL.—The term ‘qualified  
11 tuition reduction’ means the amount of any re-  
12 duction in tuition provided to an employee of—

13               “(i) an organization described in sec-  
14 tion 170(b)(1)(A)(ii), or

15               “(ii) an organization described in sec-  
16 tion 170(b)(1)(A)(i) that owns and oper-  
17 ates or controls an organization described  
18 in section 170(b)(1)(A)(ii),

19               for the education (below the graduate level) at  
20 the organization described in clause (i) (or an-  
21 other organization described in section  
22 170(b)(1)(A)(ii)) of a person described in sub-  
23 paragraph (B).

24               “(B) PERSON DESCRIBED.—A person is  
25 described in this subparagraph if such person  
26 is—

1                     “(i) the employee referred to in sub-  
2                     paragraph (A), or  
3                     “(ii) any person treated as an em-  
4                     ployee (or whose use is treated as an em-  
5                     ployee use) under the rules of section  
6                     132(h).”.

7             (b) EFFECTIVE DATE.—The amendment made by  
8     this section shall apply to taxable years ending after the  
9     date of the enactment of this Act.

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