

112TH CONGRESS
2D SESSION

H. R. 6325

To amend the Internal Revenue Code of 1986 to allow a deduction for higher education expenses in a program of study in science, technology, engineering, or mathematics.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2012

Mr. HANNA 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 deduction for higher education expenses in a program of study in science, technology, engineering, or mathematics.

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 “STEM Education Op-
5 portunity Act”.

1 **SEC. 2. STEM QUALIFIED HIGHER EDUCATION EXPENSES.**

2 (a) IN GENERAL.—Part VII of subchapter B of chap-
3 ter 1 of the Internal Revenue Code of 1986 is amended
4 by inserting after section 222 the following new section:

5 **“SEC. 222A. STEM QUALIFIED HIGHER EDUCATION EX-**
6 **PENSES.**

7 “(a) IN GENERAL.—In the case of an individual,
8 there shall be allowed as a deduction an amount equal to
9 the STEM higher education expenses paid by the taxpayer
10 during the taxable year.

11 “(b) STEM HIGHER EDUCATION EXPENSES.—For
12 purposes of this section, the term ‘STEM higher education
13 expense’ means any expense of a type which is taken into
14 account in determining the cost of attendance (as defined
15 in section 472 of the Higher Education Act of 1965 (20
16 U.S.C. 1087l)) at an eligible educational institution with
17 respect to the attendance of an individual—

18 “(1) at such institution for the academic period
19 for which the deduction under this section is being
20 determined,

21 “(2) majoring in a course of study at such in-
22 stitution leading to an associate degree or higher
23 in—

24 “(A) science, technology, engineering, or
25 mathematics (within the meaning of section

1 131(g)(4) of the Higher Education Act of 1965
2 (20 U.S.C. 1015(g)(4)), or

3 “(B) education with a focus on any area
4 described in subparagraph (A), and

5 “(3) who at all times during such period is
6 making satisfactory academic progress (as defined in
7 section 668.34 of title 34, Code of Federal Regula-
8 tions, or any successor regulation) in the pursuit of
9 such degree.

10 “(c) DEFINITION AND SPECIAL RULES.—For pur-
11 poses of this section—

12 “(1) ELIGIBLE EDUCATIONAL INSTITUTION.—
13 The term ‘eligible educational institution’ has the
14 meaning given the term ‘institution of higher edu-
15 cation’ in section 102 of the Higher Education Act
16 of 1965 (20 U.S.C. 1002).

17 “(2) ROOM AND BOARD INCLUDED FOR STU-
18 DENTS WHO ARE AT LEAST HALF-TIME.—Subsection
19 (a) shall not apply to any costs of an individual for
20 room and board while attending an eligible edu-
21 cational institution, unless such individual is an eli-
22 gible individual (as defined in section 25A(b)(3)).

23 “(3) CARRYFORWARD OF UNUSED DEDUC-
24 TION.—If for any taxable year the deduction allow-
25 able under subsection (a) exceeds the taxpayer’s tax-

1 able income (determined without regard to this sec-
2 tion), the amount of STEM higher education ex-
3 penses of the taxpayer attributable to such excess
4 shall be treated as STEM higher education expenses
5 paid by the taxpayer in the succeeding taxable year.

6 “(4) IDENTIFICATION REQUIREMENT.—No de-
7 duction shall be allowed under subsection (a) to a
8 taxpayer with respect to STEM higher education ex-
9 penses of an individual unless the taxpayer includes
10 the name and taxpayer identification number of the
11 individual on the return of tax for the taxable year.

12 “(5) CERTAIN PREPAYMENTS ALLOWED.—If
13 STEM higher education expenses are paid by the
14 taxpayer during a taxable year for an academic pe-
15 riod which begins during the first 3 months fol-
16 lowing such taxable year, such academic period shall
17 be treated for purposes of this section as beginning
18 during such taxable year.

19 “(6) COORDINATION WITH OTHER EDUCATION
20 INCENTIVES.—

21 “(A) DENIAL OF DEDUCTION IF OTHER
22 CREDIT ELECTED.—No deduction shall be al-
23 lowed under subsection (a) for any taxable year
24 with respect to the STEM higher education ex-
25 penses with respect to an individual if the tax-

1 payer or any other person elects to have section
2 25A apply with respect to such individual for
3 such year or if a credit is allowed under section
4 36D with respect to such individual for such
5 taxable year.

6 “(B) COORDINATION WITH EXCLUSIONS.—

7 The total amount of STEM higher education
8 expenses shall be reduced by the amount of
9 such expenses taken into account in deter-
10 mining any amount excluded under section 135,
11 529(c), or 530(d)(2). For purposes of the pre-
12 ceding sentence, the amount taken into account
13 in determining the amount excluded under sec-
14 tion 529(c)(1) shall not include that portion of
15 the distribution which represents a return of
16 any contributions to the plan.

17 “(7) ADJUSTMENT FOR CERTAIN SCHOLAR-

18 SHIPS.—Rules similar to the rules of 25A(g)(2) shall
19 apply for purposes of this section.

20 “(8) DEPENDENTS.—No deduction shall be al-

21 lowed under subsection (a) to any individual with re-
22 spect to whom a deduction under section 151 is al-
23 lowable to another taxpayer for a taxable year begin-
24 ning in the calendar year in which such individual’s
25 taxable year begins.

1 “(9) NONRESIDENT ALIENS.—If the taxpayer is
 2 a nonresident alien individual for any portion of the
 3 taxable year, this section shall only apply if such in-
 4 dividual is treated as a resident alien of the United
 5 States for purposes of this chapter by reason of an
 6 election under subsection (g) or (h) of section 6013.

7 “(d) TERMINATION.—This section shall not apply to
 8 taxable years beginning more than 10 years after the date
 9 of the enactment of the STEM Education Opportunity
 10 Act.”.

11 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
 12 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
 13 of section 62 of such Code is amended by inserting after
 14 paragraph (21) the following new paragraph:

15 “(22) STEM QUALIFIED HIGHER EDUCATION
 16 EXPENSES.—The deduction allowed by section
 17 222A.”.

18 (c) CLERICAL AMENDMENT.—The table of sections
 19 for part VII of subchapter B of chapter 1 of such Code
 20 is amended by inserting after the item relating to section
 21 222 the following new item:

 “Sec. 222A. STEM qualified higher education expenses.”.

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to payments made in taxable years
 24 beginning after the date of the enactment of this Act.

1 **SEC. 3. CREDITS FOR CERTAIN CONTRIBUTIONS BENEFIT-**
 2 **TING SCIENCE, TECHNOLOGY, ENGINEERING,**
 3 **AND MATHEMATICS EDUCATION AT THE ELE-**
 4 **MENTARY AND SECONDARY SCHOOL LEVEL.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
 6 chapter A of chapter 1 of the Internal Revenue Code of
 7 1986 (relating to business related credits) is amended by
 8 adding at the end the following new section:

9 **“SEC. 45S. CONTRIBUTIONS BENEFITTING SCIENCE, TECH-**
 10 **NOLOGY, ENGINEERING, AND MATHEMATICS**
 11 **EDUCATION AT THE ELEMENTARY AND SEC-**
 12 **ONDARY SCHOOL LEVEL.**

13 “(a) IN GENERAL.—For purposes of section 38, the
 14 elementary and secondary school STEM contributions
 15 credit determined under this section for the taxable year
 16 is an amount equal to the qualified STEM contributions
 17 made by the taxpayer during the taxable year to one or
 18 more elementary or secondary schools.

19 “(b) MAXIMUM CREDIT.—

20 “(1) PER TAXPAYER.—The amount of qualified
 21 STEM contributions made to any school which may
 22 be taken into account under this section by the tax-
 23 payer for the taxable year shall not exceed the por-
 24 tion of the limitation under paragraph (2) which is
 25 allocated by such school to the taxpayer for such
 26 year.

1 “(2) PER SCHOOL.—The amount of qualified
 2 STEM contributions made to any school which may
 3 be allocated under this section by the school to all
 4 taxpayers for all taxable years shall not exceed
 5 \$100,000.

6 “(c) QUALIFIED STEM CONTRIBUTIONS.—For pur-
 7 poses of this section—

8 “(1) IN GENERAL.—The term ‘qualified STEM
 9 contributions’ means—

10 “(A) STEM property contributions,

11 “(B) STEM service contributions, and

12 “(C) STEM student and educator training
 13 contributions.

14 “(2) STEM PROPERTY CONTRIBUTIONS.—

15 “(A) IN GENERAL.—The term ‘STEM
 16 property contribution’ means the amount which
 17 would (but for subsection (d)) be allowed as a
 18 deduction under section 170 for a charitable
 19 contribution of STEM property if—

20 “(i) the donee is an elementary or sec-
 21 ondary school,

22 “(ii) substantially all of the use of the
 23 property by the donee is within the United
 24 States for STEM education in any of the

grades K–12 for use during the school day
or in after-school programs,

“(iii) the original use of the property
begins with the donee,

“(iv) the property will fit productively
into the donee’s education plan,

“(v) the property is not transferred by
the donee in exchange for money, other
property, or services, except for shipping,
installation and transfer costs, and

“(vi) the donee’s use and disposition
of the property will be in accordance with
the provisions of clauses (ii) through (v).

“(B) STEM PROPERTY.—The term
‘STEM property’ means—

“(i) computer equipment and soft-
ware,

“(ii) microscopes,

“(iii) lab equipment, including glass-
ware, digital scales, and temperature meas-
uring devices,

“(iv) property used to maintain, ren-
ovate, or improve laboratory facilities,

“(v) STEM education curricula, and

1 “(vi) whiteboards, smartboards, cam-
2 eras, and other relevant STEM education
3 materials.

4 “(3) STEM SERVICE CONTRIBUTIONS.—

5 “(A) IN GENERAL.—The term ‘STEM
6 service contributions’ means the amount paid or
7 incurred during the taxable year to provide
8 STEM services in the United States for the ex-
9 clusive benefit of students at an elementary or
10 secondary school but only if no charge is im-
11 posed for providing such services.

12 “(B) STEM SERVICES.—The term ‘STEM
13 services’ means—

14 “(i) providing students the oppor-
15 tunity to engage in hands-on technical
16 equipment training in a STEM education
17 field, and

18 “(ii) bringing experts in a STEM edu-
19 cation field into the classroom or after
20 school programs for demonstrations, talks,
21 or mentoring exercises.

22 “(4) STEM STUDENT AND EDUCATOR TRAIN-
23 ING CONTRIBUTIONS.—

24 “(A) IN GENERAL.—The term ‘STEM stu-
25 dent and educator training contributions’

1 means the amount paid or incurred during the
2 taxable year to provide STEM student and edu-
3 cator training services in the United States for
4 the exclusive benefit of students at an elemen-
5 tary or secondary school but only if no charge
6 is imposed for providing such services.

7 “(B) STEM STUDENT AND EDUCATOR
8 TRAINING SERVICES.—The term ‘STEM stu-
9 dent and educator training services’ means—

10 “(i) on-site technical equipment train-
11 ing in a STEM education field,

12 “(ii) field trips to research or related
13 facilities in a STEM education field,

14 “(iii) student internships or long term
15 on-site training in a STEM education field,
16 and

17 “(iv) educator training exercises in a
18 STEM education field.

19 “(5) STEM EDUCATION.—The term ‘STEM
20 education’ means education in the biological
21 sciences, mathematics, earth and physical sciences,
22 computer and information science, engineering, geo-
23 sciences, and social and behavioral sciences.

24 “(6) ELEMENTARY OR SECONDARY SCHOOL.—

1 “(A) IN GENERAL.—The term ‘elementary
2 or secondary school’ means any school which
3 provides elementary education or secondary
4 education (kindergarten through grade 12), as
5 determined under State law.

6 “(B) GROUPINGS OF SCHOOLS.—Such
7 term includes consortia or other groupings of
8 such schools if all such schools in the consortia
9 or grouping are located within the same State.

10 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
11 shall be allowed under this chapter for any amount allowed
12 as a credit under this section.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 38(b) of such Code is amended by
15 striking “plus” at the end of paragraph (35), by
16 striking the period at the end of paragraph (36),
17 and inserting “, plus”, and by adding at the end the
18 following new paragraph:

19 “(37) the elementary and secondary school
20 STEM contributions credit determined under section
21 45S.”.

22 (2) The table of sections for subpart D of part
23 IV of subchapter A of chapter 1 of such Code is
24 amended by adding at the end the following new
25 item:

“Sec. 45S. Contributions benefitting science, technology, engineering, and mathematics education at the elementary and secondary school level.”.

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

4 **SEC. 4. GAO STUDY.**

5 Not later than 5 years after the date of the enact-
6 ment of this Act, the Government Accountability Office,
7 in consultation with the Secretary of the Treasury, shall
8 submit to Congress a report detailing—

9 (1) the efficacy of the STEM Education Oppor-
10 tunity Act in increasing higher education enrollment
11 in the fields of math, science, engineering, and tech-
12 nology, and

13 (2) any effect such Act has had on the price of
14 higher education tuition in such fields.

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