

# Union Calendar No. 398

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5193

[Report No. 107-650]

To amend the Internal Revenue Code of 1986 to allow a deduction to certain taxpayers for elementary and secondary education expenses.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2002

Mr. SCHAFER (for himself, Mr. HAYWORTH, Mr. MCINNIS, Mr. WELLER, Mr. HULSHOF, Mr. ENGLISH, Mr. BOEHNER, Mr. HERGER, Mr. SHAD-EGG, Mr. HOEKSTRA, Mr. TERRY, Mr. OTTER, Mr. SMITH of Michigan, Mr. KINGSTON, Mr. AKIN, Mr. DOOLITTLE, Mr. BURTON of Indiana, Mr. DEMINT, Mrs. JO ANN DAVIS of Virginia, Mr. SOUDER, Mr. TIBERI, Mr. RYUN of Kansas, Mrs. MYRICK, Mr. THUNE, Mr. POMBO, Mr. BUYER, Mr. GREEN of Wisconsin, Mr. ARMEY, Mr. TOOMEY, Mr. JEFF MILLER of Florida, Ms. HART, Mr. BROWN of South Carolina, Mr. PAUL, Mr. LIPINSKI, Mr. SENSENBRENNER, Mrs. CUBIN, Mr. HILLEARY, Mr. BARR of Georgia, and Mr. PICKERING) introduced the following bill; which was referred to the Committee on Ways and Means

SEPTEMBER 11, 2002

Additional sponsors: Mr. WELDON of Florida, Mr. CANTOR, Mr. PETRI, Mr. UPTON, Mr. PITTS, Mr. TIAHRT, Mr. KELLER, Mr. STUMP, and Mr. STEARNS

SEPTEMBER 11, 2002

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a

deduction to certain taxpayers for elementary and secondary 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 “Back to School Tax  
 5 Relief Act of 2002”.

6 **SEC. 2. DEDUCTION FOR ELEMENTARY AND SECONDARY**  
 7 **EDUCATION EXPENSES.**

8 (a) **IN GENERAL.**—Section 222 of the Internal Rev-  
 9 enue Code of 1986 (relating to qualified tuition and re-  
 10 lated expenses) is amended by redesignating subsection (e)  
 11 as subsection (f) and by inserting after subsection (d) the  
 12 following new subsection:

13 “(e) **ELEMENTARY AND SECONDARY EDUCATION EX-**  
 14 **PENSES.**—

15 “(1) **IN GENERAL.**—In the case of a taxpayer  
 16 whose adjusted gross income for the taxable year  
 17 does not exceed \$20,000 (\$40,000 in the case of a  
 18 joint return), qualified tuition and related expenses  
 19 shall include the qualified elementary and secondary  
 20 education expenses paid by the taxpayer during the  
 21 taxable year.

22 “(2) **DOLLAR LIMITATION.**—

23 “(A) **IN GENERAL.**—For purposes of para-  
 24 graph (1), the amount of qualified elementary

1 and secondary education expenses taken into  
2 account for a taxable year under this section by  
3 reason of paragraph (1) shall not exceed  
4 \$3,000.

5 “(B) COORDINATION.—For purposes of  
6 this section—

7 “(i) the dollar limitations under sub-  
8 section (b) shall not apply to qualified ele-  
9 mentary and secondary education expenses,  
10 and

11 “(ii) qualified elementary and sec-  
12 ondary education expenses shall not be  
13 taken into account for purposes of apply-  
14 ing the applicable dollar limit under sub-  
15 section (b).

16 “(3) DEFINITIONS.—For purposes of this  
17 subsection—

18 “(A) QUALIFIED ELEMENTARY AND SEC-  
19 ONDARY EDUCATION EXPENSES.—The term  
20 ‘qualified elementary and secondary education  
21 expenses’ has the same meaning given to such  
22 term by section 530(b)(4), except that—

23 “(i) such term shall not include room  
24 and board,

1           “~~(ii)~~ subparagraph (A)(i) thereof shall  
2           be applied by including enrollment or at-  
3           tendance at a home school (as determined  
4           under State law); and

5           “~~(iii)~~ such section shall be applied—

6                   “~~(I)~~ by substituting ‘individual’  
7                   for ‘designated beneficiary of the  
8                   trust’ in subparagraph (A)(i) thereof;  
9                   and

10                   “~~(II)~~ by substituting ‘individual  
11                   and the individual’s family during any  
12                   of the years the individual’ for ‘bene-  
13                   ficiary and the beneficiary’s family  
14                   during any of the years the bene-  
15                   ficiary’ in subparagraph (A)(iii) there-  
16                   of.

17           “~~(B)~~ ADJUSTED GROSS INCOME.—Ad-  
18           justed gross income shall be determined under  
19           subsection (b)(2)(C).”.

20           (b) TECHNICAL AMENDMENT.—The heading of sec-  
21           tion 62(a)(18) of such Code is amended by striking  
22           “HIGHER EDUCATION” and inserting “QUALIFIED TUI-  
23           TION AND RELATED”.

1       ~~(e) EFFECTIVE DATE.~~—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 ~~December 31, 2002.~~

4 **SECTION 1. SHORT TITLE.**

5       *This Act may be cited as the “Back to School Tax Re-*  
6 *lief Act of 2002”.*

7 **SEC. 2. DEDUCTION FOR ELEMENTARY AND SECONDARY**  
8 **EDUCATION EXPENSES.**

9       *(a) IN GENERAL.*—Section 222 of the Internal Revenue  
10 Code of 1986 (relating to qualified tuition and related ex-  
11 penses) is amended by redesignating subsection (e) as sub-  
12 section (f) and by inserting after subsection (d) the fol-  
13 lowing new subsection:

14       “*(e) ELEMENTARY AND SECONDARY EDUCATION EX-*  
15 *PENSES.*—

16             “*(1) IN GENERAL.*—In the case of a taxpayer  
17 whose adjusted gross income for the taxable year does  
18 not exceed \$20,000 (\$40,000 in the case of a joint re-  
19 turn), qualified tuition and related expenses shall in-  
20 clude the qualified elementary and secondary edu-  
21 cation expenses paid by the taxpayer during the tax-  
22 able year.

23             “*(2) DOLLAR LIMITATION.*—

24                 “*(A) IN GENERAL.*—For purposes of para-  
25 graph (1), the amount of qualified elementary

1           *and secondary education expenses taken into ac-*  
2           *count for a taxable year under this section by*  
3           *reason of paragraph (1) shall not exceed \$3,000.*

4           “(B) *COORDINATION.*—*For purposes of this*  
5           *section—*

6                   “(i) *the dollar limitations under sub-*  
7                   *section (b) shall not apply to qualified ele-*  
8                   *mentary and secondary education expenses,*  
9                   *and*

10                   “(ii) *qualified elementary and sec-*  
11                   *ondary education expenses shall not be*  
12                   *taken into account for purposes of applying*  
13                   *the applicable dollar limit under subsection*  
14                   *(b).*

15           “(3) *DEFINITIONS.*—*For purposes of this*  
16           *subsection—*

17                   “(A) *QUALIFIED ELEMENTARY AND SEC-*  
18                   *ONDARY EDUCATION EXPENSES.*—*The term*  
19                   *‘qualified elementary and secondary education*  
20                   *expenses’ has the same meaning given to such*  
21                   *term by section 530(b)(4), except that—*

22                           “(i) *such term shall not include room*  
23                           *and board,*

24                           “(ii) *subparagraph (A)(i) thereof shall*  
25                           *be applied by including enrollment or at-*

1                   *tendance at a home school (as determined*  
2                   *under State law), and*

3                   “*(iii) such section shall be applied—*

4                                 “*(I) by substituting ‘individual’*  
5                                 *for ‘designated beneficiary of the trust’*  
6                                 *in subparagraph (A)(i) thereof,*

7                                 “*(II) by substituting ‘an indi-*  
8                                 *vidual with special needs’ for ‘a special*  
9                                 *needs beneficiary’ in subparagraph*  
10                                 *(A)(i) thereof, and*

11                                 “*(III) by substituting ‘individual*  
12                                 *and the individual’s family during*  
13                                 *any of the years the individual’ for*  
14                                 *‘beneficiary and the beneficiary’s fam-*  
15                                 *ily during any of the years the bene-*  
16                                 *ficiary’ in subparagraph (A)(iii) there-*  
17                                 *of.*

18                   “*(B) ADJUSTED GROSS INCOME.—Adjusted*  
19                   *gross income shall be determined under sub-*  
20                   *section (b)(2)(C).”.*

21           ***(b) TECHNICAL AMENDMENT.—The heading of section***  
22    ***62(a)(18) of such Code is amended by striking “HIGHER***  
23    ***EDUCATION” and inserting “QUALIFIED TUITION AND RE-***  
24    ***LATED”.***

1           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to taxable years beginning after Decem-*  
3 *ber 31, 2002.*





**Union Calendar No. 398**

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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