To amend the Internal Revenue Code of 1986 to permit certain expenses associated with obtaining or maintaining recognized postsecondary credentials to be treated as qualified higher education expenses for purposes of 529 accounts.

IN THE HOUSE OF REPRESENTATIVES

Ms. Spanberger introduced the following bill; which was referred to the Committee on ________________________

A BILL

To amend the Internal Revenue Code of 1986 to permit certain expenses associated with obtaining or maintaining recognized postsecondary credentials to be treated as qualified higher education expenses for purposes of 529 accounts.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Freedom To Invest in Tomorrow’s Workforce Act”.

(Original Signature of Member)
SEC. 2. CERTAIN CAREER TRAINING AND CREDENTIALING EXPENSES TREATED AS QUALIFIED HIGHER EDUCATION EXPENSES FOR PURPOSES OF 529 ACCOUNTS.

(a) IN GENERAL.—Section 529(e)(3) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(C) CERTAIN CAREER TRAINING AND CREDENTIALING EXPENSES.—

“(i) IN GENERAL.—The term ‘qualified higher education expenses’ includes—

“(I) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of an individual in a recognized postsecondary credential program, or any other expense incurred in connection with enrollment in or attendance at a recognized postsecondary credential program if such expense would, if incurred in connection with enrollment or attendance at an eligible educational institution, be covered under subparagraph (e)(3)(A), and

“(II) fees required to obtain or maintain a recognized postsecondary
credential (as defined in section 3(52)
of the Workforce Innovation and Op-
portunity Act), including certificate or
certification programs that are accred-
ited by the National Commission on
Certifying Agencies or the American
National Standards Institute, or any
postsecondary credential identified in
regulations or guidance promulgated
by the Internal Revenue Service, in
consultation with the Department of
Labor, for purposes of this subclause;
and
“(III) fees for testing and other
fees required by the organization
issuing the recognized postsecondary
credential as a condition of maintain-
ing or obtaining the credential.
“(ii) Recognized postsecondary
credential program.—For purposes of
this paragraph, the term ‘recognized post-
secondary credential program’ means a
program to obtain a recognized postsec-
ondary credential if such program is in-
cluded on a list prepared under section
122(d) of the Workforce Innovation and Opportunity Act or meets the training or educational prerequisites to qualify an individual to take an examination developed or administered by an organization widely recognized as providing reputable credentials in the occupation, where such examination is required to obtain or maintain a recognized postsecondary credential.”.

(b) Effective Date.—The amendment made by this section shall apply to expenses paid or incurred in taxable years beginning after the date of the enactment of this Act.