

117TH CONGRESS
1ST SESSION

S. _____

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 SENATE OF THE UNITED STATES

Ms. KLOBUCHAR (for herself, Mr. BRAUN, Mrs. FEINSTEIN, Ms. BALDWIN, Ms. DUCKWORTH, and Mr. MANCHIN) introduced the following bill; which was read twice and 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.

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 “Freedom To Invest
5 in Tomorrow’s Workforce Act”.

1 **SEC. 2. CERTAIN CAREER TRAINING AND CREDENTIALING**
2 **EXPENSES TREATED AS QUALIFIED HIGHER**
3 **EDUCATION EXPENSES FOR PURPOSES OF**
4 **529 ACCOUNTS.**

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

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

10 “(i) IN GENERAL.—The term ‘quali-
11 fied higher education expenses’ includes—

12 “(I) tuition, fees, books, supplies,
13 and equipment required for the enroll-
14 ment or attendance of an individual in
15 a recognized postsecondary credential
16 program, or any other expense in-
17 curred in connection with enrollment
18 in or attendance at a recognized post-
19 secondary credential program if such
20 expense would, if incurred in connec-
21 tion with enrollment or attendance at
22 an eligible educational institution, be
23 covered under subparagraph (A), and

24 “(II) fees required to obtain or
25 maintain a recognized postsecondary
26 credential, including testing and other

1 fees required by the organization
2 issuing the recognized postsecondary
3 credential as a condition of maintain-
4 ing or obtaining the credential.

5 “(ii) **RECOGNIZED POSTSECONDARY**
6 **CREDENTIAL PROGRAM.**—For purposes of
7 this subparagraph, the term ‘recognized
8 postsecondary credential program’ means a
9 program to obtain a recognized postsec-
10 ondary credential if such program is in-
11 cluded on a list prepared under section
12 122(d) of the Workforce Innovation and
13 Opportunity Act or meets the training or
14 educational prerequisites to qualify an indi-
15 vidual to take an examination developed or
16 administered by an organization widely
17 recognized as providing reputable creden-
18 tials in the occupation, where such exam-
19 ination is required to obtain or maintain a
20 recognized postsecondary credential.

21 “(iii) **RECOGNIZED POSTSECONDARY**
22 **CREDENTIAL .**—For purposes of this sub-
23 paragraph, the term ‘recognized postsec-
24 ondary credential’ means—

1 “(I) a recognized postsecondary
2 credential, as such term is defined in
3 section 3(52) of the Workforce Inno-
4 vation and Opportunity Act (29
5 U.S.C. 3102) (but an industry-recog-
6 nized credential shall be for a pro-
7 gram for which a provider is eligible
8 under section 122 of that Act (29
9 U.S.C. 3152)), including a credential
10 from a certificate or certification pro-
11 gram that is accredited by the Na-
12 tional Commission for Certifying
13 Agencies or the American National
14 Standards Institute, or

15 “(II) any other postsecondary
16 credential recognized for purposes of
17 this subparagraph under regulations
18 or guidance provided by the Secretary,
19 in consultation with the Secretary of
20 Labor.”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 this section shall apply to expenses paid or incurred in
23 taxable years beginning after the date of the enactment
24 of this Act.