

116TH CONGRESS
2D SESSION

S. 3949

To amend the Internal Revenue Code of 1986 to permit kindergarten through grade 12 educational expenses to be paid from a 529 account during the Coronavirus Emergency Period.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2020

Mr. CRUZ (for himself, Mr. LEE, Mr. SCOTT of South Carolina, and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permit kindergarten through grade 12 educational expenses to be paid from a 529 account during the Coronavirus Emergency Period.

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 “Helping Parents Edu-
5 cate Children During the Coronavirus Pandemic”.

1 **SEC. 2. 529 ACCOUNT FUNDING FOR HOMESCHOOL AND AD-**
 2 **DITIONAL ELEMENTARY AND SECONDARY EX-**
 3 **PENSES DURING THE CORONAVIRUS EMER-**
 4 **GENCY PERIOD.**

5 (a) IN GENERAL.—Section 529(c)(7) of the Internal
 6 Revenue Code of 1986 is amended to read as follows:

7 “(7) TREATMENT OF ELEMENTARY AND SEC-
 8 ONDARY TUITION.—Any reference in this section to
 9 the term ‘qualified higher education expense’ shall
 10 include a reference to the following expenses in con-
 11 nection with enrollment or attendance at, or for stu-
 12 dents enrolled at or attending, an elementary or sec-
 13 ondary public, private, or religious school:

14 “(A) Tuition.

15 “(B) Curriculum and curricular materials.

16 “(C) Books or other instructional mate-
 17 rials.

18 “(D) Online educational materials.

19 “(E) Tuition for tutoring or educational
 20 classes outside of the home, including at a tu-
 21 toring facility, but only if the tutor or instruc-
 22 tor is not related to the student and—

23 “(i) is licensed as a teacher in any
 24 State,

25 “(ii) has taught at an eligible edu-
 26 cational institution, or

1 “(iii) is a subject matter expert in the
2 relevant subject.

3 “(F) Fees for a nationally standardized
4 norm-referenced achievement test, an advanced
5 placement examination, or any examinations re-
6 lated to college or university admission.

7 “(G) Fees for dual enrollment in an insti-
8 tution of higher education.

9 “(H) Educational therapies for students
10 with disabilities provided by a licensed or ac-
11 credited practitioner or provider, including oc-
12 cupational, behavioral, physical, and speech-lan-
13 guage therapies.

14 Such term shall include, from the period beginning
15 on March 13, 2020, and ending on the date on
16 which the national emergency declared by the Presi-
17 dent under section 201 of the National Emergencies
18 Act (50 U.S.C. 1601 et seq.) related to the
19 coronavirus (as defined in section 506 of the
20 Coronavirus Preparedness and Response Supple-
21 mental Appropriations Act, 2020 (Public Law 116–
22 123)) has ended, expenses for the purposes de-
23 scribed in subparagraphs (B), (C), (D), (E), and
24 (H) in connection with a homeschool (whether treat-
25 ed as a homeschool or a private school for purposes

1 of applicable State law) or with a parent or guardian
2 educating a child at home due to school closure be-
3 cause of the coronavirus (as so defined).”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to distributions made after the
6 date of the enactment of this Act.

7 **SEC. 3. ROLLOVERS FROM CERTAIN RETIREMENT PLANS.**

8 In the case of a distribution from an eligible retire-
9 ment plan described in clause (i), (ii), or (iii) of section
10 402(c)(8)(B) of the Internal Revenue Code of 1986 after
11 February 29, 2020, and before January 1, 2021—

12 (1) section 72(t) of such Code shall not apply
13 to such distribution;

14 (2) such distribution shall be treated as meeting
15 the requirements of section 401(k)(2)(B)(i), if appli-
16 cable; and

17 (3) such distribution shall be treated as having
18 been contributed in a direct trustee-to-trustee trans-
19 fer within 60 days of the distribution for purposes
20 of section 401(a)(31) or 408(d)(3), whichever is ap-
21 plicable, if

22 within 60 days of such distribution, an amount equal to
23 the amount of such distribution is contributed to a quali-

- 1 fied tuition program under section 529 of the Internal
- 2 Revenue Code of 1986.

