

119TH CONGRESS
1ST SESSION

H. R. 750

To amend the Internal Revenue Code of 1986 to provide incentives for education.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2025

Mr. BURLISON (for himself, Mr. HARRIS of Maryland, Mr. MANN, Mr. WEBER of Texas, and Mr. CARTER of Texas) 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 provide incentives for education.

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 “Achieving Choice in
5 Education Act” or the “ACE Act”.

6 **SEC. 2. 529 ACCOUNT FUNDING FOR HOMESCHOOL AND AD-**
7 **DITIONAL ELEMENTARY AND SECONDARY EX-**
8 **PENSES.**

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

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

8 “(A) Tuition.

9 “(B) Curriculum and curricular materials.

10 “(C) Books or other instructional mate-
11 rials.

12 “(D) Online educational materials.

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

17 “(i) is licensed as a teacher in any
18 State,

19 “(ii) has taught at an eligible edu-
20 cational institution, or

21 “(iii) is a subject matter expert in the
22 relevant subject.

23 “(F) Fees for a nationally standardized
24 norm-referenced achievement test, an advanced

1 placement examination, or any examinations re-
2 lated to college or university admission.

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

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

10 Such term shall include expenses for the purposes
11 described in subparagraphs (A) through (H) in con-
12 nection with a homeschool (whether treated as a
13 homeschool or a private school for purposes of appli-
14 cable State law).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to distributions made after the
17 date of the enactment of this Act.

18 **SEC. 3. INCREASE IN LIMITATION ON DISTRIBUTIONS**
19 **FROM 529 PLANS FOR ELEMENTARY AND SEC-**
20 **ONDARY SCHOOL EXPENSES.**

21 (a) IN GENERAL.—Section 529(e)(3)(A) of the Inter-
22 nal Revenue Code of 1986 is amended by striking
23 “\$10,000” in the flush matter at the end and inserting
24 “\$20,000”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2024.

4 **SEC. 4. GIFT TAX EXCLUSIONS.**

5 (a) GIFT TAX EXCLUSION FOR CONTRIBUTIONS TO
6 529 PLANS.—Section 2503(b) of the Internal Revenue
7 Code of 1986 is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(3) EXCLUSION FOR CONTRIBUTIONS TO 529
10 PLANS.—The dollar amount in effect under para-
11 graph (1) with respect to gifts (to which such para-
12 graph applies) made to any person during any cal-
13 endar year shall be increased (not in excess of
14 \$20,000) by the amount of such gifts made during
15 such calendar year to qualified tuition programs (as
16 defined in section 529) with respect to which such
17 person is the designated beneficiary.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to gifts made after December 31,
20 2024.

21 **SEC. 5. TAX-EXEMPT BONDS RESTRICTED TO STATES THAT**
22 **IMPLEMENT SCHOOL CHOICE LAWS.**

23 (a) IN GENERAL.—Section 103 of the Internal Rev-
24 enue Code of 1986 is amended by adding at the end the
25 following new subsection:

1 “(d) RESTRICTION TO STATES THAT IMPLEMENT
2 SCHOOL CHOICE LAWS.—

3 “(1) IN GENERAL.—Subsection (a) shall not
4 apply to any State or local bond unless such bond
5 is issued by a minimum school choice State or a po-
6 litical subdivision of such a State.

7 “(2) PARTIAL EXCLUSION WITH RESPECT TO
8 CERTAIN STATES.—

9 “(A) IN GENERAL.—In the case of any
10 State or local bond issued by a minimum school
11 choice State which does not meet the require-
12 ments of subparagraph (B) (or issued by any
13 political subdivision of such a State), subsection
14 (a) shall be applied by substituting ‘50 percent
15 of the interest’ for ‘interest’.

16 “(B) REQUIREMENTS.—A minimum school
17 choice State meets the requirements of this sub-
18 paragraph if the Secretary determines that—

19 “(i) at least 65 percent of the speci-
20 fied school age children are eligible for one
21 or more of such State’s school choice pro-
22 grams, and

23 “(ii) the average amount spent by
24 such State on the education of each speci-
25 fied school age child eligible for one or

1 more such State’s school choice programs
2 is at least 75 percent of the average
3 amount spent by such State on the edu-
4 cation of each specified school age child
5 not eligible for one or more of such pro-
6 grams.

7 “(3) MINIMUM SCHOOL CHOICE STATE.—For
8 purposes of this subsection, the term ‘minimum
9 school choice State’ means any State if the Sec-
10 retary determines that—

11 “(A) such State has enacted one or more
12 school choice programs,

13 “(B) at least 40 percent of the specified
14 school age children are eligible for one or more
15 of such State’s school choice programs, and

16 “(C) the average amount spent by such
17 State on the education of each specified school
18 age child eligible for one or more such State’s
19 school choice programs is at least 60 percent of
20 the average amount spent by such State on the
21 education of each specified school age child not
22 eligible for one or more of such programs.

23 “(4) SCHOOL CHOICE PROGRAMS.—For pur-
24 poses of this subsection, the term ‘school choice pro-
25 gram’ means, with respect to any State, each of the

1 following with respect to elementary and secondary
2 education in such State:

3 “(A) Tax credit scholarship programs.

4 “(B) Voucher programs.

5 “(C) Education savings account program.

6 “(D) Refundable tax credit for private edu-
7 cation expenses.

8 “(5) SPECIFIED SCHOOL AGE CHILD.—For pur-
9 poses of this subsection, the term ‘specified school
10 age child’ means, with respect to any State, any in-
11 dividual residing in such State who has not attained
12 age 18.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to bonds issued after the date of
15 the enactment of this Act.

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