117TH CONGRESS
1ST SESSION

S. 905

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
MARCH 23, 2021

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 Finance

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”.

VerDate Sep 11 2014 01:03 Apr 13, 2021 Jkt 019200 PO 00000 Frm 00001 Fmt 6652 Sfmt 6201 E:\BILLS\S905.IS S905kjohnson on DSK79L0C42PROD with BILLS
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 (A), and

“(II) fees required to obtain or maintain a recognized postsecondary credential, including 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 subparagraph, the term ‘recognized
postsecondary 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 indi-
vidual to take an examination developed or
administered by an organization widely
recognized as providing reputable creden-
tials in the occupation, where such exam-
ination is required to obtain or maintain a
recognized postsecondary credential.

“(iii) Recognized postsecondary
credential.—For purposes of this sub-
paragraph, the term ‘recognized postsec-
ondary credential’ means—
“(I) a recognized postsecondary credential, as such term is defined in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102) (but an industry-recognized credential shall be for a program for which a provider is eligible under section 122 of that Act (29 U.S.C. 3152)), including a credential from a certificate or certification program that is accredited by the National Commission for Certifying Agencies or the American National Standards Institute, or

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

(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.