

113TH CONGRESS  
2D SESSION

# H. R. 4563

To amend the Internal Revenue Code of 1986 to provide a tax credit for certain expenses relating to applying to college.

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IN THE HOUSE OF REPRESENTATIVES

MAY 2, 2014

Mr. ISRAEL introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit for certain expenses relating to applying to college.

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 “College Preparation  
5 Tax Credit Act of 2014”.

6 **SEC. 2. TAX CREDIT FOR COLLEGE PREPARATION EX-**  
7 **PENSES.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 25D the fol-  
2 lowing new section:

3 **“SEC. 25E. CREDIT FOR COLLEGE PREPARATION EX-**  
4 **PENSES.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
6 dividual, there shall be allowed as a credit against the tax  
7 imposed by this chapter for such taxable year an amount  
8 equal to so much of the qualified college preparation ex-  
9 penses paid or incurred by the taxpayer during such tax-  
10 able year as does not exceed \$500.

11 “(b) QUALIFIED COLLEGE PREPARATION EX-  
12 PENSES.—For purposes of this section, the term ‘qualified  
13 college preparation expenses’ means amounts paid or in-  
14 curred for—

15 “(1) fees required for taking any Advanced  
16 Placement or International Baccalaureate exam,

17 “(2) fees required for taking the SAT, the  
18 ACT, or any SAT Subject Test,

19 “(3) expenses related to preparation (including  
20 tutorial services and preparation classes) for any  
21 exam described in paragraph (1) or (2),

22 “(4) fees and expenses related to applications  
23 for admission to pursue a postsecondary course of  
24 study at an eligible educational institution (as de-  
25 fined in section 25A(f)(2)), and

1           “(5) such other similar expenses and fees as the  
2           Secretary may by regulation prescribe.

3           “(c) ELECTION.—No credit shall be allowed under  
4           subsection (a) with respect to any expenses paid or in-  
5           curred during the taxable year with respect to any indi-  
6           vidual for whom an election is not in effect under this sec-  
7           tion for such taxable year.

8           “(d) CREDIT ALLOWED ONLY FOR 3 TAXABLE  
9           YEARS.—An election under this section with respect to  
10          any individual may not be made for any taxable year if  
11          such an election is in effect with respect to such individual  
12          for any 3 prior taxable years.

13          “(e) TREATMENT OF EXPENSES PAID BY DEPEND-  
14          ENT.—If a deduction under section 151 with respect to  
15          an individual is allowed to another taxpayer for a taxable  
16          year beginning in the calendar year in which such individ-  
17          ual’s taxable year begins—

18                 “(1) no credit shall be allowed under subsection  
19                 (a) to such individual for such individual’s taxable  
20                 year, and

21                 “(2) qualified college preparation expenses paid  
22                 by such individual during such individual’s taxable  
23                 year shall be treated for purposes of this section as  
24                 paid by such other taxpayer.”.

1           (b) CLERICAL AMENDMENT.—The table of sections  
2 for subpart A of part IV of subchapter A of chapter 1  
3 of the Internal Revenue Code of 1986 is amended by in-  
4 serting after the item relating to section 25D the following  
5 new item:

“Sec. 25E. Credit for college preparation expenses.”.

6           (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to taxable years beginning after  
8 the date of the enactment of this Act.

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