

110TH CONGRESS  
2D SESSION

**S. 3244**

To amend the Internal Revenue Code of 1986 to expand the Coverdell education savings accounts to allow home school education expenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 10 (legislative day, JULY 9), 2008

Mr. VITTER 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 expand the Coverdell education savings accounts to allow home school education expenses, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

7 (a) IN GENERAL.—Paragraph (3) of section 530(b)  
8 of the Internal Revenue Code of 1986 (relating to qual-  
9 fied elementary and secondary education expenses) is

1 amended by adding at the end the following new subpara-  
2 graph:

3                 “(C) PRIVATE SCHOOL.—For purposes of  
4                 this section, the term ‘private school’ includes  
5                 any home school that meets the requirements of  
6                 State law applicable to such home schools,  
7                 whether or not such school is deemed a private  
8                 school for purposes of State law.”.

9                 (b) EFFECTIVE DATE.—The amendment made by  
10    this section shall apply to taxable years beginning after  
11    December 31, 2007.

12 **SEC. 2. COVERDELL EDUCATION SAVINGS ACCOUNT CON-**  
13                 **TRIBUTIONS INDEXED TO INFLATION.**

14                 Subsection (b) of section 530 of the Internal Revenue  
15    Code of 1986 (relating to definitions and special rules)  
16    is amended by adding at the end the following new para-  
17    graph:

18                 “(5) ADJUSTMENT FOR INFLATION.—In the  
19                 case of a taxable year beginning in a calendar year  
20                 after 2008, the dollar amount in paragraph  
21                 (1)(A)(iii) shall be increased by an amount equal  
22                 to—

23                 “(A) such amount, multiplied by  
24                 “(B) the cost-of-living adjustment deter-  
25                 mined under section 1(f)(3) for such calendar

1           year by substituting ‘calendar year 2007’ for  
2           ‘calendar year 1992’ in subparagraph (B)  
3           thereof.”.

4 **SEC. 3. EXPANSION OF EDUCATION SAVINGS INCENTIVES**  
5           **MADE PERMANENT.**

6           Section 901 of the Economic Growth and Tax Relief  
7           Reconciliation Act of 2001 is amended by adding at the  
8           end the following new subsection:

9           “(c) EXCEPTION.—Subsection (a) shall not apply to  
10           the amendments made by section 401.”.

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