

107TH CONGRESS  
1ST SESSION

# H. R. 248

To amend the Internal Revenue Code of 1986 to provide that distributions from qualified State tuition programs which are used to pay educational expenses shall not be includible in gross income.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2001

Mr. BACHUS 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 that distributions from qualified State tuition programs which are used to pay educational expenses shall not be includible in gross income.

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 Savings Pro-  
5 tection Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME OF DISTRIBUTIONS FROM QUALIFIED STATE TUITION PROGRAMS WHICH ARE USED FOR EDUCATIONAL PURPOSES.**

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5 (a) **IN GENERAL.**—Subparagraph (B) of section  
6 529(c)(3) of the Internal Revenue Code of 1986 is amend-  
7 ed to read as follows:

8 “(B) **DISTRIBUTIONS FOR QUALIFIED**  
9 **HIGHER EDUCATION EXPENSES.**—Subpara-  
10 graph (A) shall not apply to any distribution to  
11 the extent—

12 “(i) the distribution is used exclusively  
13 to pay qualified higher education expenses  
14 of the distributee, or

15 “(ii) the distribution consists of pro-  
16 viding a benefit to the distributee which, if  
17 paid for by the distributee, would con-  
18 stitute payment of a qualified higher edu-  
19 cation expense.”

20 (b) **EFFECTIVE DATE.**—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2000.

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