

SENATE/HOUSE FILE _____
BY (PROPOSED TREASURER OF
STATE BILL)

A BILL FOR

1 An Act relating to the definition of qualified education
2 expenses.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 12D.1, subsection 2, paragraph k, Code
2 2026, is amended to read as follows:

3 k. *“Qualified education expenses”* means the same as
4 *“qualified higher education expenses”* as defined in section
5 529(e)(3) of the Internal Revenue Code, ~~as amended by Pub. L.~~
6 ~~No. 115-97,~~ and shall include elementary and secondary school
7 expenses for tuition described in section 529(c)(7) of the
8 Internal Revenue Code, subject to the limitations imposed by
9 section 529(e)(3)(A) of the Internal Revenue Code. *“Qualified*
10 *education expenses”* includes expenses for the participation
11 in an apprenticeship program registered and certified with
12 the United States secretary of labor under section 1 of the
13 National Apprenticeship Act, 29 U.S.C. §50, and amounts paid as
14 principal or interest on any qualified education loan on behalf
15 of a beneficiary or a sibling of the beneficiary, subject to
16 the limitations imposed by section 529(c)(9)(B) and (C) of the
17 Internal Revenue Code.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation’s substance by the members of the general assembly.

21 For purposes of the Iowa educational savings plan trust
22 (Code chapter 12D), this bill strikes an unnecessary reference
23 to a specific amendment to the Internal Revenue Code in the
24 definition of *“qualified education expenses”*. *“Internal*
25 *Revenue Code”* is defined in Code chapter 12D to mean the
26 Internal Revenue Code of 1986, as amended, and regulations
27 promulgated thereunder (see Code section 12I.1).