A BILL

To amend the Internal Revenue Code of 1986 to allow for distributions from 529 accounts for expenses associated with registered apprenticeship programs.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Expanding Access to Apprenticeships Act”.

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SEC. 2. DISTRIBUTIONS FROM 529S FOR REGISTERED APPRENTICESHIP PROGRAMS.

(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 EXPENSES ASSOCIATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—The term ‘qualified higher education expenses’ shall include expenses for—

“(i) books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50),

“(ii) transportation in connection with such enrollment or attendance, and

“(iii) obtaining an industry certification (or other credential) in connection with such enrollment or attendance or in connection with the completion of such program.”.

(b) Treatment as Enrollment at Eligible Educational Institution.—Subsection (e) of section
529 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) Treatment of registered apprenticeship programs.—Solely for purposes of this section, the term ‘eligible educational institution’ includes an entity operating an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50), and an individual participating in such a program shall be treated as enrolled in or attending an eligible educational institution.”.

(c) Treatment of Room and Board Costs for Participants in Registered Apprenticeship Programs.—Subparagraph (B) of section 529(e)(3) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

“(iii) Special rule for individuals participating in registered apprenticeship programs.—In the case of an individual who is enrolled in or attending an apprenticeship program described in subparagraph (C)(i) for any period (and who is not, but for subclause (I), an eligible student (as defined in section 25A(b)(3)) for such period)—
“(I) for purposes of clause (i), such individual shall be treated as an eligible student for such period,
“(II) clause (ii) shall not apply, and
“(III) the amount treated as qualified higher education expenses by reason of clause (i) for such period shall not exceed the sum of the monthly housing stipends which would be payable to such designated beneficiary for months during such period under section 3313(g)(3)(B)(i) of title 38, United States Code, if such beneficiary were entitled to educational assistance under chapter 33 of such title 38.

The Secretary shall publish, at the appropriate time determined by the Secretary, the monthly housing stipend amount described in subclause (III) with respect to each ZIP code area of the United States.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions paid after December 31, 2019.