

H.R. 8915, Education and Workforce Freedom Act

As ordered reported by the House Committee on Ways and Means on July 9, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	-74	-177
Increase or Decrease (-) in the Deficit	0	74	177
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	
		Yes	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	< \$5 billion	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 8915 would expand the allowable use of savings plans authorized under section 529 of the Internal Revenue Code. Income earned in 529 plans is not subject to taxation, and distributions are not included in recipients' taxable income if the money is used for qualified education expenses, including tuition at elementary, secondary, or postsecondary institutions, or for educational supplies and program fees for postsecondary and apprenticeship programs. H.R. 8915 would allow tax-free distributions from 529 plans to cover additional elementary, secondary, and homeschool expenses, including costs for supplies, tutoring, and testing. The bill also would allow tax-free distributions to cover tuition, supplies, and fees for programs that offer postsecondary credentials.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. The estimates for the revenue provisions of H.R. 8915 were provided by JCT.¹

1. See Joint Committee on Taxation, *Description of H.R. 8915, the "Education and Workforce Freedom Act"* JCX-29-24 (July 5, 2024), www.jct.gov/publications/2024/jcx-29-24.



The estimated budgetary effect of H.R. 8915 is shown in Table 1. The costs of the legislation fall within budget function 800 (general government).

Table 1. Estimated Budgetary Effects of H.R. 8915													
By Fiscal Year, Millions of Dollars												2024-2029	2024-2034
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Decreases in Revenues													
Estimated Revenues	0	-9	-13	-17	-17	-18	-19	-20	-20	-21	-22	-74	-177

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Components may not sum to totals because of rounding.

CBO estimates that implementing H.R. 8915 also would increase the Internal Revenue Service's administrative costs by less than \$500,000 over the 2024-2029 period; any related spending would be subject to the availability of appropriated funds.

For this estimate, CBO and JCT assume that the bill will be enacted in fiscal year 2024. JCT estimates that enacting the bill would decrease revenues by \$177 million over the 2024-2034 period. That reduction would stem from an increase in income excluded from taxation in 529 plans.

CBO estimates that implementing the bill would increase federal costs by less than \$500,000 over the 2024-2029 period for the Internal Revenue Service to make those changes; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Kathleen Burke. The estimate was reviewed by John McClelland, Director of Tax Analysis.

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