116TH CONGRESS  
2D SESSION  

To amend the Internal Revenue Code of 1986 to allow deductions for unreimbursed business expenses, dependent care expenses, and elementary school education expenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to allow deductions for unreimbursed business expenses, dependent care expenses, and elementary school education expenses, and for other purposes.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Tax Relief for Families Suffering from Government-Mandated Shutdowns Act”.
SEC. 2. TREATMENT OF DEDUCTION FOR CERTAIN BUSINESS EXPENSES.

(a) In General.—Section 62(a)(1) of the Internal Revenue Code of 1986 is amended by striking “, if such trade or business does not consist of the performance of services by the taxpayer as an employee”.

(b) Conforming Amendments.—

(1) Section 62 of the Internal Revenue Code of 1986 is amended—

(A) in subsection (a), by striking paragraph (2), and

(B) by striking subsections (b), (c), and (d) and redesignating subsections (e) and (f) as subsections (c) and (d), respectively.

(2) Section 162(o) of such Code is amended—

(A) in paragraph (1)—

(i) by striking “such services” and all that follows through “allowable as a deduction” and inserting “such services, the amount allowable as a deduction”,

(ii) by striking “; and” and inserting a period, and

(iii) by striking subparagraph (B), and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).
(c) **Effective Date.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

**SEC. 3. DEDUCTION FOR CHILD AND DEPENDENT CARE EXPENSES.**

(a) **In General.**—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

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“SEC. 224. HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

“(a) **In General.**—In the case of an individual, there shall be allowed as a deduction an amount equal to the employment-related expenses (as defined in section 21(b)(2)) paid by such individual during the taxable year.

“(b) **Coordination With Other Benefits.**—For purposes of subsection (a), there shall not be taken into account any expenses—

“(1) which were excluded from gross income under section 129 for the taxable year, or

“(2) which were taken into account in determining the amount of the credit allowed under section 21 for the taxable year.”.
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(b) Treatment of Deduction.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (22) the following new paragraph:

“(23) House hold and dependent care services.—The deduction under section 224.”.

(c) Election With Respect to Credit.—Section 21(e) of such Code is amended by adding at the end the following new paragraph:

“(11) Election to disregard expenditures.—Under such rules, and in such form and manner, as the Secretary may provide, a taxpayer may elect not to have this section apply with respect to any amount of employment-related expenses determined by the taxpayer.”.

(d) Clerical Amendment.—The table of section for part VII of subchapter B of chapter 1 of such Code is amended by redesignating the item relating to section 224 as relating to section 225 and by inserting after the item relating to section 223 the following new item:

“Sec. 224. Household and dependent care services necessary for gainful employment.”.

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.
SEC. 4. DEDUCTION FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986, as amended by section 3, is amended by redesignating section 225 as section 226 and by inserting after section 224 the following new section:

"SEC. 225. ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the sum of—

"(1) the eligible elementary and secondary school tuition and related expenses paid by such individual during the taxable year, plus

"(2) so much of the eligible elementary and secondary qualified expenses paid by such individual during the taxable year as does not exceed $1,000.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE ELEMENTARY AND SECONDARY SCHOOL TUITION AND RELATED EXPENSES.—The term ‘eligible elementary and secondary school tuition and related expenses’ means, with respect to any dependent of the taxpayer—

"(A) expenses for tuition, fees, academic tutoring, special needs services in the case of a
special needs individual, which are incurred in connection with the enrollment or attendance of such dependent of the taxpayer as an elementary or secondary school student at a public, private, or religious school, and

“(B) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

“(2) **Eligible Elementary and Secondary Qualified Expenses.**—The term ‘eligible elementary and secondary qualified expenses’ means, with respect to any dependent of the taxpayer—

“(A) expenses for books, supplies, and other equipment which are incurred in connection with the enrollment or attendance of such dependent as an elementary or secondary school student at a public, private, or religious school, and

“(B) expenses for the purchase of any computer technology or equipment or Internet access and related services, if such technology, equipment, or services are to be used by such
dependent or the taxpayer’s spouse, or any other dependent of the taxpayer during any of the years such dependent is in school.

“(3) SCHOOL.—The term ‘school’ means any school (including a homeschool) which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.

“(4) COMPUTER TECHNOLOGY OR EQUIPMENT.—The term ‘computer technology or equipment’ means computer software (as defined by section 197(e)(3)(B)), computer or peripheral equipment (as defined by section 168(i)(2)(B)), and fiber optic cable related to computer use.

“(c) COORDINATION WITH OTHER BENEFITS.—For purposes of subsection (a), there shall not be taken into account any expenses which are not included in income under section 529 or 530.”.

(b) TREATMENT OF DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986, as amended by section 3, is amended by inserting after paragraph (23) the following new paragraph:

“(24) ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—The deduction under section 225.”.
(c) CLERICAL AMENDMENT.—The table of section for part VII of subchapter B of chapter 1 of such Code, as amended by section 3, is amended by redesignating the item relating to section 225 as relating to section 226 and by inserting after the item relating to section 224 the following new item:

“Sec. 225. Elementary and secondary school expenses.”.

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

SEC. 5. DEDUCTION FOR CERTAIN INTERNET EXPENSES IN 2020.

(a) IN GENERAL.—Section 62(a) of the Internal Revenue Code of 1986, as amended by sections 3 and 4, is amended by inserting after paragraph (24) the following new paragraph:

“(25) INTERNET EXPENSES.—In the case of taxable years beginning in 2020, the amount (not to exceed $500) of expenses paid or incurred for access to the internet (including data charges).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.