119TH CONGRESS
2D SESSION

S. ______

To amend the Internal Revenue Code of 1986 to modify the credit amount for qualified elementary and secondary education scholarships.

IN THE SENATE OF THE UNITED STATES

Mrs. HYDE-SMITH 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 modify the credit amount for qualified elementary and secondary education scholarships.

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

SECTION 1. TREATMENT OF JOINT RETURNS; INFLATION ADJUSTMENT.

(a) IN GENERAL.—Paragraph (1) of section 25F(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) DOLLAR LIMITATION.—For purposes of this section—

"(A) In general.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed the applicable amount (twice such amount in the case of a joint return).

"(B) Applicable amount.—The applicable amount is $1,700.

"(C) Adjustment for inflation.—

"(i) In general.—In the case of a taxable year beginning after December 31, 2026, the $1,700 amount under subparagraph (B) shall be increased by an amount equal to—

"(I) such amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(ii) Rounding.—If any increase determined under clause (i) is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

"(iii) Publication of adjusted amount.—Not later than November 1 of each calendar year, the Secretary shall publish the adjusted limitation applicable for the following taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2025.