

S 311

ACE Act

Congress: 119 (2025–2027, Current)

Chamber: Senate

Policy Area: Taxation

Introduced: Jan 29, 2025

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Jan 29, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/senate-bill/311>

Sponsor

Name: Sen. Lee, Mike [R-UT]

Party: Republican • State: UT • Chamber: Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Budd, Ted [R-NC]	R · NC		Jan 29, 2025
Sen. Schmitt, Eric [R-MO]	R · MO		Feb 12, 2025

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Jan 29, 2025

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
119 HR 939	Related bill	Feb 4, 2025: Referred to the House Committee on Ways and Means.
119 HR 750	Related bill	Jan 28, 2025: Referred to the House Committee on Ways and Means.
119 S 152	Related bill	Jan 20, 2025: Read twice and referred to the Committee on Finance.

Achieving Choice in Education Act or the ACE Act

This bill expands the expenses that may be paid for with tax-free distributions from a qualified tuition program (known as a 529 plan) to include certain elementary, secondary, and homeschool education expenses and makes other changes related to 529 plans. The bill also limits the tax exclusion for interest on state or local bonds.

Under current law, 529 plan distributions are excluded from gross income if they are used to pay for qualified higher education expenses, which includes up to \$10,000 (per year and per beneficiary) for tuition at an elementary or secondary public, private, or religious school.

The bill expands the expenses that may be paid for with tax-free 529 plan distributions to include homeschooling tuition and the following expenses related to elementary, secondary, and homeschool education:

- curriculum,
- books,
- instructional and online educational materials,
- tutoring or educational classes outside the home,
- testing fees,
- fees for dual enrollment in a higher education institution, and
- educational therapies for disabled students.

The bill also increases the amount of tax-free 529 plan distributions that may be used to pay for elementary, secondary, and homeschool education expenses to \$20,000.

The bill increases the annual gift tax exclusion by \$20,000 for contributions made to a 529 plan. (Under current law, up to \$19,000 may be excluded from taxable gifts in 2025.)

Finally, the bill limits the tax exclusion for interest on state or local bonds to bonds issued by states that meet minimum school choice requirements or political subdivisions of such states.

Actions Timeline

- **Jan 29, 2025:** Introduced in Senate
- **Jan 29, 2025:** Read twice and referred to the Committee on Finance.

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