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## Achieving Choice in Education Act (ACE Act)

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It is parents, not ideologically driven public school boards and teachers, who know what is best for their children. As leftist ideology continues to spread throughout public schools across the nation, concerned parents are increasingly seeking avenues to retake their rightful agency over the education of their children. Unfortunately, the current economic climate, created by the failed policies of the Biden Administration, has made affording alternative education options much harder for families across the United States. It is vitally important for parents, who truly know what is best for their children, to have educational alternatives available to them, rather than being forced to send their children to public schools with curricula contrary to what they want being taught or a quality or style of education they deem unsatisfactory for their children.

The ACE Act builds on a provision in the 2017 Tax Cuts and Jobs Act by providing federal tax incentives to encourage state-level school choice laws. Additionally, this bill broadens tax exemptions for qualified programs under Section 529 of the IRS code of 1986 to make financing public school alternatives such as homeschool or private school easier for parents. The ACE Act provides federal tax incentives for families to save money for qualified educational expenses and broadens tax exemptions for qualified programs under Section 529 to make financing public school alternatives easier for parents. Additionally, this legislation varies tax exemptions on municipal bonds issued by states based on the prevalence of school choice laws. Most importantly, the ACE Act empowers parents by easing the financial impact of investing in the educational future of their children and encourages states to implement school choice laws.

### Bill Specifics:

The ACE Act:

- Doubles 529 tax exempt account distributions from \$10,000 per taxable year to \$20,000.
- Provides gift tax exclusions of up to \$20,000 per taxable year for placement in 529 accounts
- Varies federal tax exemption amounts on municipal bonds, often issued for local infrastructure projects (including new schools), for states with school choice laws.
  - In states with no school choice laws, the tax-exempt status of municipal bonds is revoked.
  - In partial school choice states, 50% percent of interest is tax-exempted
  - In full school choice states, 100% of interest is tax-exempted<sup>1</sup>

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<sup>1</sup> Definitions of no, partial, and full school choice can be found in Section 5 of the bill.