

114TH CONGRESS
2D SESSION

H. R. 5803

To amend the Internal Revenue Code of 1986 to allow a temporary election to accelerate the American Opportunity Tax Credit.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2016

Mr. HARDY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a temporary election to accelerate the American Opportunity Tax Credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Extra Credit for Work-
5 ing Students Act of 2016”.

6 **SEC. 2. ACCELERATED AMERICAN OPPORTUNITY TAX**
7 **CREDIT.**

8 (a) IN GENERAL.—Section 25A(i)(2) of the Internal
9 Revenue Code of 1986 is amended to read as follows:

1 “(2) SPECIAL RULE FOR NUMBER OF YEARS
2 CREDIT ALLOWED.—

3 “(A) IN GENERAL.—Subparagraphs (A)
4 and (C) of subsection (b)(2) shall be applied by
5 substituting ‘4’ for ‘2’.

6 “(B) ELECTION TO ACCELERATE CRED-
7 IT.—

8 “(i) IN GENERAL.—In the case of an
9 eligible student with respect to whom an
10 election to have this section apply has not
11 been made for any prior taxable year, a
12 taxpayer may elect for the taxable year for
13 subparagraph (A) not to apply with respect
14 to such student and to apply paragraph
15 (1) by substituting ‘\$4,000’ for ‘\$2,000’ in
16 subparagraph (A) thereof and by sub-
17 stituting ‘\$4,000 but does not exceed
18 \$8,000’ for ‘\$2,000 but does not exceed
19 \$4,000’ in subparagraph (B) thereof.

20 “(ii) ELECTION IRREVOCABLE.—Once
21 made, any such election shall be irrev-
22 ocable and shall apply with respect to such
23 student for all subsequent taxable years.

24 “(iii) TERMINATION.—No election
25 may be first made under clause (i) for any

1 taxable year beginning after December 31,
2 2022.”.

3 (b) STUDY.—

4 (1) IN GENERAL.—Not later than the date that
5 is 1 year after the date of the enactment of this Act,
6 and annually for the 5 years thereafter, the Sec-
7 retary of the Treasury shall submit a report to Con-
8 gress with respect to the election under section
9 25A(i)(2)(B) of the Internal Revenue Code of 1986
10 to accelerate the American Opportunity Tax Credit.
11 Such report shall include details on the election rate
12 of the option and the demographics of students so
13 electing.

14 (2) REPORT UPON TERMINATION.—In the last
15 report required to be submitted under paragraph
16 (1), the Secretary of the Treasury shall include an
17 assessment of the effectiveness of such election at
18 improving college completion times and the effective-
19 ness of the American Opportunity Tax Credit, in
20 general, at helping students to complete college on
21 time.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2016.

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