

106TH CONGRESS
1ST SESSION

H. R. 1188

To amend the Internal Revenue Code of 1986 to allow a deduction for the payment of tuition and related expenses for postsecondary education.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 1999

Mr. ACKERMAN (for himself, Ms. BROWN of Florida, Mrs. CLAYTON, Mr. COSTELLO, Mr. CROWLEY, Mr. GREEN of Texas, Mr. HINCHEY, Ms. JACKSON-LEE of Texas, Mr. LANTOS, Ms. NORTON, Mr. PAUL, Ms. ROSELEHTINEN, Mr. SANDLIN, Mr. TOWNS, Mr. TRAFICANT, and Mr. WEINER) 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 deduction for the payment of tuition and related expenses for postsecondary education.

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. DEDUCTION FOR TUITION AND RELATED EX-**
4 **PENSES FOR POSTSECONDARY EDUCATION.**

5 (a) DEDUCTION ALLOWED.—Part VII of subchapter
6 B of chapter 1 of the Internal Revenue Code of 1986 (re-
7 lating to additional itemized deductions for individuals) is

1 amended by redesignating section 222 as section 223 and
2 by inserting after section 221 the following new section:

3 **“SEC. 222. TUITION AND RELATED EXPENSES FOR POST-**
4 **SECONDARY EDUCATION.**

5 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
6 individual, there shall be allowed as a deduction an
7 amount equal to the qualified tuition and related expenses
8 of an eligible student paid by the taxpayer during the tax-
9 able year.

10 “(b) DOLLAR LIMITATIONS.—

11 “(1) PER STUDENT.—The aggregate payments
12 during the taxable year for the qualified tuition and
13 related expenses of each individual which may be
14 taken into account under subsection (a) shall not ex-
15 ceed \$10,000.

16 “(2) PER TAXPAYER.—The amount allowed as
17 a deduction under subsection (a) for the taxable year
18 shall not exceed \$20,000.

19 “(3) PHASEOUT OF DEDUCTION.—

20 “(A) IN GENERAL.—The amount which
21 would (but for this subsection) be taken into ac-
22 count under subsection (a) shall be reduced
23 (but not below zero) by the amount determined
24 under subparagraph (B).

1 “(B) AMOUNT OF REDUCTION.—The
 2 amount determined under this subparagraph is
 3 the amount which bears the same ratio to the
 4 amount which would be so taken into account
 5 as—

6 “(i) the excess of—

7 “(I) the taxpayer’s modified ad-
 8 justed gross income for such taxable
 9 year, over

10 “(II) \$125,000 (\$175,000 in the
 11 case of a joint return), bears to

12 “(ii) \$20,000.

13 “(B) MODIFIED ADJUSTED GROSS IN-
 14 COME.—The term ‘modified adjusted gross in-
 15 come’ means adjusted gross income
 16 determined—

17 “(i) without regard to this section and
 18 sections 911, 931, and 933, and

19 “(ii) after application of sections 86,
 20 135, 137, 219, 221, and 469.

21 “(c) DEFINITIONS.—For purposes of this section:

22 “(1) ELIGIBLE STUDENT.—The term ‘eligible
 23 student’ has the meaning given to such term by sec-
 24 tion 25A(b)(3).

1 “(2) QUALIFIED TUITION AND RELATED EX-
2 PENSES.—The term ‘qualified tuition and related ex-
3 penses’ has the meaning given to such term by sec-
4 tion 25A(f)(1), reduced by the sum of—

5 “(A) the amount excluded from gross in-
6 come under section 127, 135, or 530 by reason
7 of such expenses, and

8 “(B) the amount of any scholarship, allow-
9 ance, or payment described in section
10 25A(g)(2).

11 “(d) SPECIAL RULES.—

12 “(1) ELIGIBLE COURSES.—Amounts paid for
13 qualified tuition and related expenses of any indi-
14 vidual shall be taken into account under subsection
15 (a) only to the extent such expenses are attributable
16 to courses of instruction for which credit is allowed
17 toward a degree by an institution of higher edu-
18 cation or toward a certificate of required course
19 work at a vocational school.

20 “(2) TAXPAYER WHO IS DEPENDENT OF AN-
21 OTHER TAXPAYER.—No deduction shall be allowed
22 to a taxpayer under subsection (a) for an amount
23 paid for the education of such taxpayer if such tax-
24 payer is a dependent of another person for a taxable

1 year beginning in the calendar year in which the tax-
 2 able year of the taxpayer begins.

3 “(3) SPOUSE.—No deduction shall be allowed
 4 under subsection (a) for amounts paid during the
 5 taxable year for qualified tuition and related ex-
 6 penses of the spouse of the taxpayer unless—

7 “(A) the taxpayer is entitled to an exemp-
 8 tion for his spouse under section 151(b) for the
 9 taxable year, or

10 “(B) the taxpayer files a joint return with
 11 his spouse for the taxable year.”.

12 (b) DEDUCTION ALLOWED IN COMPUTING AD-
 13 JUSTED GROSS INCOME.—Section 62(a) of such Code is
 14 amended by inserting after paragraph (17) the following
 15 new paragraph:

16 “(18) TUITION AND RELATED EXPENSES FOR
 17 POSTSECONDARY EDUCATION.—The deduction al-
 18 lowed by section 222.”.

19 (c) CONFORMING AND CLERICAL AMENDMENTS.—

20 (1) Subparagraph (A) of section 86(b)(2) of
 21 such Code is amended by inserting “222,” after
 22 “221,”.

23 (2) Subparagraph (A) of section 135(c)(4) of
 24 such Code is amended by inserting “222,” after
 25 “221,”.

1 (3) Subparagraph (A) of section 137(b)(3) of
2 such Code is amended by inserting “222,” after
3 “221,”.

4 (4) Clause (ii) of section 219(g)(3)(A) of such
5 Code is amended by inserting “222,” after “221,”.

6 (5) Clause (i) of section 221(b)(2)(C) of such
7 Code is amended by inserting “222,” before “911,”.

8 (6) The table of sections for part VII of sub-
9 chapter B of chapter 1 of such Code is amended by
10 striking the item relating to section 221 and insert-
11 ing:

 “Sec. 222. Tuition and related expenses for postsecondary edu-
 cation.

 “Sec. 223. Cross reference.”.

12 (d) EFFECTIVE DATES.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 1998.

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