

106TH CONGRESS
1ST SESSION

H. R. 856

To amend the Internal Revenue Code of 1986 to increase the deduction allowed for interest on education loans.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1999

Mr. CAMPBELL 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 increase the deduction allowed for interest on education loans.

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. INCREASE IN DEDUCTION ALLOWED FOR IN-**
4 **TEREST ON EDUCATION LOANS.**

5 (a) IN GENERAL.—The table contained in paragraph
6 (1) of section 221(b) of the Internal Revenue Code of
7 1986 (relating to general rule for maximum deduction) is
8 amended to read as follows:

**“In the case of taxable years
beginning in:**

1999	
2000	

**The dollar
amount is:**

\$2,000
\$3,000

2001	\$4,000
2002 or thereafter	\$5,000.”.

1 (b) REVENUE OFFSET.—

2 (1) MODIFICATION OF RATES OF CORPORATE
3 TAX.—The Secretary of the Treasury shall prescribe
4 rates of tax under section 11 of the Internal Reve-
5 nue Code of 1986 (relating to tax imposed on cor-
6 porations) which result in a net increase in revenues
7 for a taxable year equal to the net decrease in reve-
8 nues for that year as a result of the amendment
9 made by subsection (a).

10 (2) ESTIMATES AND SUBSEQUENT ADJUST-
11 MENTS.—The rates of tax prescribed under para-
12 graph (1) shall be determined on the basis of esti-
13 mates made by the Secretary of the Treasury. Ad-
14 justments shall be made in such rates for succeeding
15 taxable years to the extent prior estimates resulted
16 in revenues which were in excess of or less than the
17 revenues required under paragraph (1).

18 (c) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to interest due and paid after
20 December 31, 1998.

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