

107TH CONGRESS  
2D SESSION

# H. R. 4732

To amend the Internal Revenue Code of 1986 to repeal the dollar limitation on the deduction of interest on education loans.

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IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2002

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

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the dollar limitation on the deduction of 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. REPEAL OF DOLLAR LIMITATION ON DEDUC-**  
4       **TION OF INTEREST ON EDUCATION LOANS.**

5       (a) IN GENERAL.—Subsection (b) of section 221 of  
6       the Internal Revenue Code of 1986 (relating to maximum  
7       deduction) is amended to read as follows:

8       “(b) LIMITATION BASED ON MODIFIED ADJUSTED  
9       GROSS INCOME.—

1           “(1) IN GENERAL.—The amount which would  
2           (but for this subsection) be allowable as a deduction  
3           under this section shall be reduced (but not below  
4           zero) by the amount determined under paragraph  
5           (2).

6           “(2) AMOUNT OF REDUCTION.—The amount  
7           determined under this paragraph is the amount  
8           which bears the same ratio to the amount which  
9           would be so taken into account as—

10           “(A) the excess of—

11                   “(i) the taxpayer’s modified adjusted  
12                   gross income for such taxable year, over

13                   “(ii) \$50,000 (\$100,000 in the case of  
14                   a joint return), bears to

15           “(B) \$15,000 (\$30,000 in the case of a  
16           joint return).

17           “(3) MODIFIED ADJUSTED GROSS INCOME.—  
18           The term ‘modified adjusted gross income’ means  
19           adjusted gross income determined—

20                   “(A) without regard to this section and  
21                   sections 222, 911, 931, and 933, and

22                   “(B) after application of sections 86, 135,  
23                   137, 219, and 469.”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to payments made in taxable years  
3 beginning after December 31, 2001.

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