

108TH CONGRESS
2D SESSION

H. R. 4912

To amend the Internal Revenue Code of 1986 to expand the Hope Scholarship Credit to allow a credit without limitation for 50 percent of higher education expenses.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2004

Mr. ACKERMAN 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 expand the Hope Scholarship Credit to allow a credit without limitation for 50 percent of higher education expenses.

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 “Affordable College Tui-
5 tion Act of 2004”.

1 **SEC. 2. EXPANSION OF HOPE SCHOLARSHIP CREDIT TO 50**
2 **PERCENT OF QUALIFIED TUITION EXPENSES.**

3 (a) IN GENERAL.—Subsection (b) of section 25A of
4 the Internal Revenue Code of 1986 (relating to Hope
5 scholarship credit) is amended to read as follows:

6 “(b) HOPE SCHOLARSHIP CREDIT.—

7 “(1) PER STUDENT CREDIT.—In the case of
8 any eligible student for whom an election is in effect
9 under this section for any taxable year, the Hope
10 Scholarship Credit is an amount equal to 50 percent
11 of the qualified tuition and related expenses paid by
12 the taxpayer during the taxable year (for education
13 furnished to the eligible student during any aca-
14 demic period beginning in such taxable year).

15 “(2) CREDIT ALLOWED FOR YEAR ONLY IF IN-
16 DIVIDUAL IS AT LEAST ½ TIME STUDENT FOR POR-
17 TION OF YEAR.—The Hope Scholarship Credit under
18 subsection (a)(1) shall not be allowed for a taxable
19 year with respect to the qualified tuition and related
20 expenses of an individual unless such individual is
21 an eligible student for at least one academic period
22 which begins during such year.

23 “(3) ELIGIBLE STUDENT.—For purposes of
24 this subsection, the term ‘eligible student’ means,
25 with respect to any academic period, a student
26 who—

1 “(A) meets the requirements of section
 2 484(a)(1) of the Higher Education Act of 1965
 3 (20 U.S.C. 1091(a)(1)), as in effect on the date
 4 of the enactment of this section, and

5 “(B) is carrying at least $\frac{1}{2}$ the normal
 6 full-time work load for the course of study the
 7 student is pursuing.”.

8 (b) ADJUSTED GROSS INCOME LIMITATION NOT TO
 9 APPLY TO HOPE SCHOLARSHIP CREDIT.—Paragraph (1)
 10 of section 25A(d) of such Code (relating to limitation
 11 based on modified adjusted gross income) is amended—

12 (1) in the text by striking “subsection (a)” and
 13 inserting “subsection (a)(2)”, and

14 (2) in the heading by inserting “OF LIFETIME
 15 LEARNING CREDIT”.

16 (c) CONFORMING AMENDMENT.—Subsection (h) of
 17 such section (relating to inflation adjustments) is amended
 18 to read as follows:

19 “(h) INFLATION ADJUSTMENTS OF INCOME LIMITS
 20 APPLICABLE TO LIFETIME LEARNING CREDIT.—

21 “(1) IN GENERAL.—In the case of a taxable
 22 year beginning after 2001, the \$40,000 and \$80,000
 23 amounts in subsection (d)(2) shall each be increased
 24 by an amount equal to—

25 “(A) such dollar amount, multiplied by

1 “(B) the cost-of-living adjustment deter-
2 mined under section 1(f)(3) for the calendar
3 year in which the taxable year begins, deter-
4 mined by substituting ‘calendar year 2000’ for
5 ‘calendar year 1992’ in subparagraph (B)
6 thereof.

7 “(2) ROUNDING.—If any amount as adjusted
8 under paragraph (1) is not a multiple of \$1,000,
9 such amount shall be rounded to the next lowest
10 multiple of \$1,000.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to expenses paid after December
13 31, 2004 (in taxable years ending after such date), for
14 education furnished in academic periods beginning after
15 such date.

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