

108TH CONGRESS  
2D SESSION

# S. 2797

To amend the Internal Revenue Code of 1986 to expand the deduction for college tuition expenses to include expenses for books.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 2004

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to expand the deduction for college tuition expenses to include expenses for books.

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 “Textbook Affordability  
5       Act of 2004”.

6       **SEC. 2. DEDUCTION FOR COLLEGE BOOK EXPENSES.**

7       (a) IN GENERAL.—Section 222(b)(2) of the Internal  
8       Revenue Code of 1986 (relating to applicable dollar limit)  
9       is amended—

1           (1) by inserting “with respect to qualified tui-  
 2           tion and related expenses described in subsection  
 3           (d)(1)(A)(i)” after “amount” in the matter pre-  
 4           ceding clause (i) in subparagraph (B),

5           (2) by redesignating subparagraph (C) as sub-  
 6           paragraph (F), and

7           (3) by inserting after subparagraph (B) the fol-  
 8           lowing new subparagraphs:

9                   “(C) BOOKS.—In the case of any taxable  
 10           year beginning after 2003, the applicable dollar  
 11           amount with respect to qualified tuition and re-  
 12           lated expenses described in subsection  
 13           (d)(1)(A)(ii) shall be equal to \$1,000 reduced  
 14           (but not below zero) by the amount determined  
 15           under subparagraph (D).

16                   “(D) AMOUNT OF REDUCTION.—The  
 17           amount determined under this subparagraph  
 18           equals the amount which bears the same ratio  
 19           to the amount which would be so taken into ac-  
 20           count as—

21                           “(i) the excess of—

22                                   “(I) the taxpayer’s adjusted  
 23                                   gross income for such taxable year,  
 24                                   over

1 “(II) \$65,000 (\$130,000 in the  
2 case of a joint return), bears to

3 “(ii) \$15,000 (\$30,000 in the case of  
4 a joint return).

5 “(E) INFLATION ADJUSTMENTS.—

6 “(i) IN GENERAL.—In the case of any  
7 taxable year beginning in a calendar year  
8 after 2004, both of the dollar amounts in  
9 subparagraph (D)(i)(II) shall be increased  
10 by an amount equal to—

11 “(I) such dollar amount, multi-  
12 plied by

13 “(II) the cost-of-living adjust-  
14 ment determined under section 1(f)(3)  
15 for the calendar year in which the tax-  
16 able year begins, by substituting ‘cal-  
17 endar year 2003’ for ‘calendar year  
18 1992’ in subparagraph (B) thereof.

19 “(ii) ROUNDING.—If any amount as  
20 adjusted under clause (i) is not a multiple  
21 of \$50, such amount shall be rounded to  
22 the nearest multiple of \$50.”.

23 (b) EXPANSION OF RELATED EXPENSES.—Para-  
24 graph (1) of section 222(d) of the Internal Revenue Code

1 of 1986 (relating to definitions and special rules) is  
 2 amended to read as follows:

3 “(1) QUALIFIED TUITION AND RELATED EX-  
 4 PENSES.—

5 “(A) IN GENERAL.—The term ‘qualified  
 6 tuition and related expenses’—

7 “(i) has the meaning given such term  
 8 by section 25(f), and

9 “(ii) includes books (within the mean-  
 10 ing of section 529(e)(3)(A)(i)).

11 “(B) SPECIAL RULE.—Such expenses shall  
 12 be reduced in the same manner as under sec-  
 13 tion 25A(g)(2).”.

14 (c) DEDUCTION FOR BOOKS MADE PERMANENT.—  
 15 Section 222(e) of the Internal Revenue Code of 1986 (re-  
 16 lating to termination) is amended by striking “This” and  
 17 inserting “Except with respect to qualified tuition and re-  
 18 lated expenses described in subsection (d)(1)(A)(ii), this”.

19 (d) EFFECTIVE DATE.—The amendments made by  
 20 this section shall apply to payments made in taxable years  
 21 beginning after December 31, 2003.

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