

109TH CONGRESS  
2D SESSION

# H. R. 4837

To amend the Internal Revenue Code of 1986 to expand the tax incentives  
for higher education.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2006

Ms. ZOE LOFGREN of California 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 expand  
the tax incentives for higher 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. SHORT TITLE.**

4       This Act may be cited as the “Affordable College  
5       Education Act of 2006”.

6       **SEC. 2. DEDUCTION FOR ALL HIGHER EDUCATION EX-**  
7       **PENSES FOR ALL TAXPAYERS.**

8       (a) DEDUCTION FOR ALL HIGHER EDUCATION EX-  
9       PENSES.—

1           (1) IN GENERAL.—Section 222 of the Internal  
 2       Revenue Code of 1986 (relating to deduction for  
 3       qualified tuition and related expenses) is amended  
 4       by striking “qualified tuition and related expenses”  
 5       each place it appears and inserting “qualified higher  
 6       education expenses”.

7           (2) QUALIFIED HIGHER EDUCATION EX-  
 8       PENSES.—Paragraph (1) of section 222(d) of such  
 9       Code is amended to read as follows:

10           “(1) QUALIFIED HIGHER EDUCATION EX-  
 11       PENSES.—The term ‘qualified higher education ex-  
 12       penses’ has the meaning given to such term by sec-  
 13       tion 221(d)(2).”.

14       (b) REPEAL OF DOLLAR LIMITATION AND LIMITA-  
 15       TION BASED ON ADJUSTED GROSS INCOME.—Section 222  
 16       of such Code is amended by striking subsection (b) and  
 17       by redesignating subsections (c) and (d) as subsections (b)  
 18       and (c), respectively.

19       (c) REPEAL OF TERMINATION.—Section 222 of such  
 20       Code is amended by striking subsection (e).

21       (d) CONFORMING AMENDMENTS.—

22           (1) The item relating to section 222 in the table  
 23       of sections for part VII of subchapter B of chapter  
 24       1 of such Code is amended by striking “**QUALIFIED**  
 25       **TUITION AND RELATED EXPENSES**” and insert-

1       ing **“QUALIFIED HIGHER EDUCATION EX-**  
 2       **PENSES”**.

3           (2) Subsection (c) of section 222 of such Code  
 4       (as redesignated by subsection (b)) is amended by  
 5       striking paragraph (4) and by redesignating para-  
 6       graphs (5) and (6) as paragraphs (4) and (5), re-  
 7       spectively.

8       (e) **EFFECTIVE DATE.**—The amendments made by  
 9       this section shall apply to taxable years beginning after  
 10      December 31, 2005.

11      **SEC. 3. INCREASE IN PHASEOUT OF DEDUCTION FOR EDU-**  
 12                                      **CATION LOAN INTEREST.**

13       (a) **IN GENERAL.**—Subclause (II) of section  
 14      221(b)(2)(B)(i) of the Internal Revenue Code of 1986 is  
 15      amended by striking “\$50,000 (\$100,000 in the case of  
 16      a joint return)” and inserting “\$350,000 (\$700,000 in the  
 17      case of a joint return)”.

18       (b) **INFLATION ADJUSTMENTS.**—Paragraph (1) of  
 19      section 221(f) of such Code (relating to inflation adjust-  
 20      ments) is amended by striking “2002, the \$50,000 and  
 21      \$100,000” and inserting “2006, the \$350,000 and  
 22      \$700,000”.

23       (c) **EFFECTIVE DATE.**—The amendments made by  
 24      this section shall apply to taxable years beginning after  
 25      December 31, 2005.

1 **SEC. 4. REPEAL OF EGTRRA SUNSETS WITH RESPECT TO**  
2 **INTEREST ON EDUCATION LOANS AND QUALI-**  
3 **FIED TUITION AND RELATED EXPENSES.**

4 Section 901 of the Economic Growth and Tax Relief  
5 Reconciliation Act of 2001 shall not apply to sections 412  
6 (relating to elimination of 60-month limit and increase in  
7 income limitation on student loan interest deduction) and  
8 431 (relating to deduction for higher education expenses)  
9 of such Act.

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