

110TH CONGRESS
1ST SESSION

H. R. 4662

To amend the Internal Revenue Code of 1986 to provide that the exclusion for qualified scholarships shall apply to allowances for room, board, and special needs services.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. KAGEN 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 provide that the exclusion for qualified scholarships shall apply to allowances for room, board, and special needs services.

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. ALLOWANCE OF ROOM, BOARD, AND SPECIAL
4 NEEDS SERVICES IN THE CASE OF SCHOLAR-
5 SHIPS WITH RESPECT TO HIGHER EDU-
6 CATION.

7 (a) IN GENERAL.—Paragraph (1) of section 117(b)
8 of the Internal Revenue Code of 1986 (defining qualified
9 scholarship) is amended by inserting before the period at

1 the end the following: “or, in the case of enrollment or
2 attendance at an eligible educational institution, for quali-
3 fied higher education expenses.”.

4 (b) DEFINITIONS.—Subsection (b) of section 117 of
5 such Code is amended by adding at the end the following
6 new paragraph:

7 “(3) QUALIFIED HIGHER EDUCATION EX-
8 PENSES; ELIGIBLE EDUCATIONAL INSTITUTION.—
9 The terms ‘qualified higher education expenses’ and
10 ‘eligible educational institution’ have the meanings
11 given such terms in section 529(e).”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to expenses paid after December
14 31, 2007 (in taxable years ending after such date), for
15 education furnished in academic periods beginning after
16 such date.

