

111TH CONGRESS
2D SESSION

H. R. 5557

To amend the Internal Revenue Code of 1986 to allow an increased credit against tax for tuition and related expenses of certain individuals age 55 and older.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2010

Ms. GIFFORDS (for herself and Mr. LATHAM) 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 allow an increased credit against tax for tuition and related expenses of certain individuals age 55 and older.

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 “Back to School Act
5 of 2010”.

6 **SEC. 2. BACK TO SCHOOL CREDIT.**

7 (a) IN GENERAL.—Section 25A of such Code is
8 amended by redesignating subsection (j) as subsection (k)

1 and by inserting after subsection (i) the following new sub-
 2 section:

3 “(j) BACK TO SCHOOL CREDIT.—

4 “(1) AMOUNT OF CREDIT.—In lieu of the credit
 5 allowed under subsection (a), on the election of an
 6 eligible individual, there shall be allowed as a credit
 7 against the tax imposed by this chapter for the tax-
 8 able year an amount equal to the sum of—

9 “(A) so much of the qualified tuition and
 10 related expenses paid by the taxpayer during
 11 the taxable year (for education furnished during
 12 any academic period beginning in such taxable
 13 year) as does not exceed \$2,000, plus

14 “(B) 25 percent of such expenses so paid
 15 as exceeds \$2,000 but does not exceed \$4,000.

16 “(2) LIMITATION BASED ON MODIFIED AD-
 17 JUSTED GROSS INCOME.—

18 “(A) IN GENERAL.—The amount which
 19 would (but for this paragraph) be taken into ac-
 20 count under paragraph (1) for the taxable year
 21 shall be reduced (but not below zero) by the
 22 amount determined under subparagraph (B).

23 “(B) AMOUNT OF REDUCTION.—The
 24 amount determined under this subparagraph is
 25 the amount which bears the same ratio to the

1 amount which would be so taken into account
2 as—

3 “(i) the excess of—

4 “(I) the taxpayer’s modified ad-
5 justed gross income for such taxable
6 year, over

7 “(II) the applicable amount
8 under subparagraph (D), bears to

9 “(ii) \$10,000 (\$20,000 in the case of
10 a joint return).

11 “(C) MODIFIED ADJUSTED GROSS IN-
12 COME.—For purposes of this paragraph, the
13 term ‘modified adjusted gross income’ means
14 the adjusted gross income of the taxpayer for
15 the taxable year increased by any amount ex-
16 cluded from gross income under section 911,
17 931, or 933.

18 “(D) APPLICABLE AMOUNT.—The applica-
19 ble amount under this subparagraph is—

20 “(i) in the case of a joint return, 200
21 percent of the dollar amount in effect
22 under clause (ii) for the taxable year, and

23 “(ii) in any other case, \$60,000.

24 “(3) DEFINITIONS.—For purposes of this sub-
25 section—

1 “(A) ELIGIBLE INDIVIDUAL.—The term
2 ‘eligible individual’ means any individual—

3 “(i) who has attained the age of 55,
4 and

5 “(ii) with respect to whom qualified
6 tuition and related expenses have not been
7 paid during the 5-taxable year period end-
8 ing with the taxable year immediately pre-
9 ceding the first taxable year for which such
10 individual elects the application of this
11 subsection.

12 “(B) QUALIFIED TUITION AND RELATED
13 EXPENSES.—Notwithstanding subsection (f),
14 the term ‘qualified tuition and related expense’
15 means any expense of a type which is taken
16 into account in determining the cost of attend-
17 ance (as defined in section 472 of the Higher
18 Education Act of 1965, as in effect on the date
19 of the enactment of this section) of a student
20 who is—

21 “(i) the taxpayer, or

22 “(ii) the taxpayer’s spouse.

23 “(4) INFLATION ADJUSTMENT.—

24 “(A) CREDIT LIMITATION.—

1 “(i) IN GENERAL.—In the case of a
2 taxable year beginning after 2011, each of
3 the \$2,000 amounts and the \$4,000
4 amount under paragraph (1) shall be in-
5 creased by an amount equal to—

6 “(I) such dollar amount, multi-
7 plied by

8 “(II) the cost-of-living adjust-
9 ment determined under section 1(f)(3)
10 for the calendar year in which the tax-
11 able year begins, determined by sub-
12 stituting ‘calendar year 2010’ for ‘cal-
13 endar year 1992’ in subparagraph (B)
14 thereof.

15 “(ii) ROUNDING.—If any amount as
16 adjusted under clause (i) is not a multiple
17 of \$100, such amount shall be rounded to
18 the next lowest multiple of \$100.

19 “(B) INCOME LIMITS.—

20 “(i) IN GENERAL.—In the case of a
21 taxable year beginning after 2011, the
22 \$80,000 amount in paragraph (2)(D)(ii)
23 shall each be increased by an amount equal
24 to—

1 “(I) such dollar amount, multi-
2 plied by

3 “(II) the cost-of-living adjust-
4 ment determined under section 1(f)(3)
5 for the calendar year in which the tax-
6 able year begins, determined by sub-
7 stituting ‘calendar year 2010’ for ‘cal-
8 endar year 1992’ in subparagraph (B)
9 thereof.

10 “(ii) ROUNDING.—If any amount as
11 adjusted under clause (i) is not a multiple
12 of \$1,000, such amount shall be rounded
13 to the next lowest multiple of \$1,000.

14 “(5) DENIAL OF CREDIT IF STUDENT CON-
15 VICTED OF A FELONY DRUG OFFENSE.—A rule simi-
16 lar to the rule of subsection (b)(2)(D) shall apply for
17 purposes of this subsection.”.

18 (b) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS,
19 ETC.—Paragraph (2) of section 25A(g) of such Code is
20 amended—

21 (1) by inserting “or (j)” after “subsection (a)”,
22 and

23 (2) by inserting “, and paragraphs (1) and (2)
24 of subsection (j)” after “and (d)”.

1 (c) TREATMENT OF EXPENSES PAID BY DEPEND-
2 ENT.—Subparagraph (A) of section 25A(g)(3) of such
3 Code is amended by inserting “or (j)” after “subsection
4 (a)”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2010.

○