

113TH CONGRESS
1ST SESSION

H. R. 2040

To simplify the process for determining the need and eligibility of students for financial assistance under the Higher Education Act of 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 2013

Mr. WELCH introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To simplify the process for determining the need and eligibility of students for financial assistance under the Higher Education Act of 1965, and for other purposes.

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 “Student Financial Aid
5 Simplification Act”.

6 **SEC. 2. FAFSA SIMPLIFICATION.**

7 Section 483 of the Higher Education Act of 1965 (20
8 U.S.C. 1090) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1), by striking “The
3 Secretary” and inserting “Subject to subsection
4 (i), the Secretary”; and

5 (B) in paragraph (6), by striking “The
6 need” and inserting “Subject to subsection (i),
7 the need”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(i) FAFSA SIMPLIFICATION.—

11 “(1) IN GENERAL.—Effective with respect to
12 academic year 2014–2015 and each succeeding aca-
13 demic year and notwithstanding subsection (a)(6)
14 and any other provision of this section, with respect
15 to a student who is a taxpayer or a dependent of a
16 taxpayer and who does not meet the requirements of
17 subsection (b) or (c) of section 479, the need and
18 eligibility of such student for financial assistance
19 under part A through E (other than subpart 4 of
20 part A) may be determined only by—

21 “(A) authorizing the Secretary to obtain
22 from the Internal Revenue Service income data,
23 and other taxpayer data needed to compute an
24 expected family contribution for the student,

1 from two years prior to the student’s planned
2 enrollment date; and

3 “(B) submitting to the Secretary the sup-
4 plemental information described in paragraph
5 (3).

6 “(2) AUTHORIZATION UNDER THE IRC AND DIS-
7 TRIBUTION OF DATA.—Returns and return informa-
8 tion (as defined in section 6103 of the Internal Rev-
9 enue Code of 1986) may be obtained under para-
10 graph (1)(A) only to the extent authorized by section
11 6103(l)(23) of such Code, except that institutions of
12 higher education and States shall receive, without
13 charge, such information from the Secretary for the
14 purposes of processing loan applications and deter-
15 mining need and eligibility for institutional and
16 State financial aid awards.

17 “(3) SUPPLEMENTAL INFORMATION.—Each
18 student described in paragraph (1) who is applying
19 for financial assistance under parts A through E
20 (other than under subpart 4 of part A) shall submit
21 to the Secretary at such time and in such manner
22 as required by the Secretary, any information that
23 is needed to determine the student’s need and eligi-
24 bility for such financial assistance or to administer
25 the programs under this title, but that is not avail-

1 able from the Internal Revenue Service to the extent
2 authorized by section 6103(l)(23) of the Internal
3 Revenue Code of 1986, including information with
4 respect to the student's—

5 “(A) citizenship or permanent residency
6 status;

7 “(B) dependency status;

8 “(C) registration for selective service;

9 “(D) State of legal residence;

10 “(E) family members, including the total
11 number and the number in postsecondary edu-
12 cation;

13 “(F) secondary school completion status;

14 “(G) drug conviction status;

15 “(H) completion of a first bachelor's de-
16 gree;

17 “(I) email address; and

18 “(J) institution or institutions of higher
19 education in which the student is enrolled or to
20 which the student is applying for admission.

21 “(4) REGULATIONS.—

22 “(A) IN GENERAL.—The Secretary shall
23 prescribe such regulations as may be necessary
24 to carry out this subsection.

1 “(B) INAPPLICABILITY OF RULEMAKING
2 REQUIREMENTS.—Sections 482(c) and 492
3 shall not apply to the regulations required by
4 this paragraph.”.

5 **SEC. 3. AMENDMENTS TO THE INTERNAL REVENUE CODE**
6 **OF 1986.**

7 Section 6103(l) of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new para-
9 graph:

10 “(23) DISCLOSURE OF RETURN INFORMATION
11 TO DETERMINE THE NEED AND ELIGIBILITY OF A
12 STUDENT FOR FEDERAL STUDENT FINANCIAL
13 AID.—

14 “(A) IN GENERAL.—The Secretary may,
15 upon written request from the Secretary of
16 Education, disclose to officers and employees of
17 the Department of Education return informa-
18 tion with respect to a taxpayer or a dependent
19 of a taxpayer who may be eligible for Federal
20 student financial aid and whose need and eligi-
21 bility for such aid is based in whole or in part
22 on the taxpayer’s income or the income of the
23 parents of the dependent. Such return informa-
24 tion shall be limited to—

1 “(i) taxpayer identity information
2 with respect to such taxpayer;

3 “(ii) the filing status of such tax-
4 payer;

5 “(iii) the adjusted gross income of
6 such taxpayer; and

7 “(iv) any other data of such taxpayer
8 necessary to determine the expected family
9 contribution (within the meaning of part F
10 of title IV of the Higher Education Act of
11 1965 (20 U.S.C. 1087kk et seq.)) of such
12 taxpayer or the dependent of such tax-
13 payer, as applicable.

14 “(B) RESTRICTION ON USE OF DISCLOSED
15 INFORMATION.—Return information disclosed
16 under subparagraph (A) may be used by offi-
17 cers and employees of the Department of Edu-
18 cation only for the purposes of, and to the ex-
19 tent necessary in, processing the student loan
20 application, and establishing need and eligibility
21 for Federal student financial aid, of a taxpayer
22 or a dependent of a taxpayer.

23 “(C) FEDERAL STUDENT LOANS AND
24 GRANTS.—For purposes of this paragraph, the
25 term ‘Federal student financial aid’ means fi-

1 nancial assistance under part A through E
2 (other than under subpart 4 of part A) of title
3 IV of the Higher Education Act of 1965 (20
4 U.S.C. 1070 et seq.).”.

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