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113TH CONGRESS
2D SESSION

H. R. 4700

To amend the Internal Revenue Code of 1986 to increase the limitation on the deduction for student loan interest.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2014

Mr. GARDNER 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 increase the limitation on the deduction for student loan interest.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN LIMITATION ON DEDUCTION FOR STUDENT LOAN INTEREST.

(a) IN GENERAL.—Section 221(b)(1) of the Internal Revenue Code of 1986 is amended by striking ‘‘the amount determined’’ and all that follows and inserting ‘‘$5,000.’’.

(b) INFLATION ADJUSTMENT.—Subsection (f) of section 221 of such Code is amended by—

(1) redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) DOLLAR LIMITATION.—In the case of any taxable year beginning after 2015, the $5,000 amount in subsection (b)(1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2014' for 'calendar year 1992' in subparagraph (B) thereof.",

(2) in paragraph (2) (as so redesignated), by striking "IN GENERAL" in the heading thereof and inserting "LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME", and

(3) in paragraph (3) (as so redesignated)—

(A) by striking "paragraph (1)" and inserting "paragraph (1) or (2)", and

(B) by inserting "($100 in the case of any adjustment under paragraph (1))" after "$5,000" both places it appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2014.

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