

113TH CONGRESS
2D SESSION

H. R. 5509

To amend the Internal Revenue Code of 1986 to increase and extend the American Opportunity Tax Credit and to increase the student loan interest deduction.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2014

Mr. BRALEY of Iowa 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 increase and extend the American Opportunity Tax Credit and to increase the student loan interest deduction.

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 “College Tuition and
5 Debt Relief Act of 2014”.

1 **SEC. 2. AMERICAN OPPORTUNITY TAX CREDIT INCREASE**
2 **AND EXTENSION.**

3 (a) CREDIT MADE PERMANENT.—Section 25A(i) of
4 the Internal Revenue Code of 1986 is amended by striking
5 “and before 2018”.

6 (b) INCREASE IN CREDIT AMOUNT.—Paragraph (1)
7 of section 25A(i) of the Internal Revenue Code of 1986
8 is amended—

9 (1) in subparagraph (A) by striking “\$2,000”
10 and inserting “\$2,500”, and

11 (2) in subparagraph (B) by striking “as exceeds
12 \$2,000 but does not exceed \$4,000” and inserting
13 “as exceeds \$2,500 but does not exceed \$4,500”.

14 (c) ADJUSTMENT FOR INFLATION.—Section 25A(i)
15 of the Internal Revenue Code of 1986 is amended by add-
16 ing at the end the following new paragraph:

17 “(7) ADJUSTMENTS FOR INFLATION.—In the
18 case of a taxable year beginning after December 31,
19 2015, each of the dollar amounts in subparagraph
20 (A) and (B) of paragraph (1) and clause (ii) of
21 paragraph (4)(A) shall be increased by an amount
22 equal to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar
26 year in which the taxable year begins, deter-

1 mined by substituting ‘calendar year 2014’ for
 2 ‘calendar year 1992’ in subparagraph (B)
 3 thereof.

4 If any amount as increased under the preceding sen-
 5 tence is not a multiple of \$10, such amount shall be
 6 rounded to the nearest multiple of \$10.”.

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

10 **SEC. 3. STUDENT LOAN INTEREST DEDUCTION INCREASE.**

11 (a) IN GENERAL.—Paragraph (1) of section 221(b)
 12 of the Internal Revenue Code of 1986 is amended to read
 13 as follows:

14 “(1) IN GENERAL.—Except as provided in para-
 15 graph (2), the deduction allowed by subsection (a)
 16 for the taxable year shall not exceed \$5,000.”.

17 (b) ADJUSTMENT FOR INFLATION.—

18 (1) IN GENERAL.—Section 221(f) of the Inter-
 19 nal Revenue Code of 1986 is amended by redesign-
 20 nating paragraph (2) as paragraph (3) and by in-
 21 serting after paragraph (1) the following new para-
 22 graph:

23 “(2) ADJUSTMENT FOR INFLATION.—In the
 24 case of a taxable year beginning after December 31,

1 2015, the \$5,000 dollar amount in paragraph (1)
2 shall be increased by an amount equal to—

3 “(A) such dollar amount, multiplied by

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins, deter-
7 mined by substituting ‘calendar year 2014’ for
8 ‘calendar year 1992’ in subparagraph (B)
9 thereof.”.

10 (2) CONFORMING AMENDMENT.—Section
11 221(f)(3) of the Internal Revenue Code of 1986, as
12 redesignated by paragraph (1), is amended to read
13 as follows:

14 “(3) ROUNDING.—

15 “(A) MODIFIED ADJUSTED GROSS INCOME
16 THRESHOLDS.—If any amount as adjusted
17 under paragraph (1) is not a multiple of
18 \$5,000, such amount shall be rounded to the
19 next lowest multiple of \$5,000.

20 “(B) DEDUCTION LIMITATION.—If any
21 amount as increased under paragraph (2) is not
22 a multiple of \$10, such amount shall be round-
23 ed to the nearest multiple of \$10.”.

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

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