

114TH CONGRESS
1ST SESSION

S. 1413

To amend the Internal Revenue Code of 1986 to improve compliance in
higher education tax benefits.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2015

Mr. COATS (for himself and Mr. HATCH) introduced the following bill; which
was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to improve
compliance in higher education tax benefits.

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 “Higher Education Tax
5 Benefit Compliance Improvement Act”.

1 **SEC. 2. WAIVER OF PENALTIES FOR CERTAIN FAILURES RE-**
 2 **LATING TO INFORMATION RETURNS FOR**
 3 **HIGHER EDUCATION TUITION AND RELATED**
 4 **EXPENSES.**

5 (a) IN GENERAL.—Section 6724 of the Internal Rev-
 6 enue Code of 1986 is amended by adding at the end the
 7 following new subsection:

8 “(f) SPECIAL RULES FOR RETURNS RELATED TO
 9 HIGHER EDUCATION TUITION AND RELATED EX-
 10 PENSES.—Section 6721 shall not apply to any failure by
 11 an eligible educational institution (as defined in section
 12 25A) to provide the TIN of an individual described in sec-
 13 tion 6050S(b)(2)(A) on any information return described
 14 in subsection (d)(1)(B)(xii) if the person required to file
 15 the return certifies under penalty of perjury that such per-
 16 son has complied with standards promulgated by the Sec-
 17 retary for obtaining the individual’s TIN, unless it is
 18 shown that such certification is materially untrue.”.

19 (b) EFFECTIVE DATE.—The amendment made by
 20 this section shall apply to returns filed after the date of
 21 the enactment of this Act.

22 **SEC. 3. PAYEE STATEMENT REQUIRED TO CLAIM CERTAIN**
 23 **EDUCATION TAX BENEFITS.**

24 (a) AMERICAN OPPORTUNITY CREDIT, HOPE SCHOL-
 25 ARSHIP CREDIT, AND LIFETIME LEARNING CREDIT.—

1 (1) IN GENERAL.—Subsection (g) of section
2 25A of the Internal Revenue Code of 1986 is
3 amended by adding at the end the following new
4 paragraph:

5 “(8) PAYEE STATEMENT REQUIREMENT.—No
6 credit shall be allowed under this section for any
7 qualified tuition and related expenses paid by the
8 taxpayer unless—

9 “(A) the taxpayer has received a statement
10 provided under section 6050S(d) which contains
11 the TIN of the individual for whom a payment
12 of qualified tuition and related expenses was
13 made, or

14 “(B) in any case in which—

15 “(i) the qualified tuition and related
16 expenses are for a course for which aca-
17 demic credit is not offered by the eligible
18 educational institution, or

19 “(ii) the eligible educational institu-
20 tion does not provide the taxpayer with a
21 statement described in subparagraph (A)
22 with respect to such qualified tuition and
23 related expenses,

1 the taxpayer maintains a record, in such form
 2 and manner as prescribed by the Secretary,
 3 showing the date and amount of the expenses.”.

4 (2) CONFORMING AMENDMENT.—Paragraph (3)
 5 of section 25A(g) of such Code is amended by add-
 6 ing at the end the following flush sentence:
 7 “For purposes of paragraph (8), a statement de-
 8 scribed in paragraph (8)(A) which is received by
 9 such individual shall be treated as received by such
 10 other taxpayer.”.

11 (b) DEDUCTION FOR QUALIFIED TUITION AND RE-
 12 LATED EXPENSES.—

13 (1) IN GENERAL.—Subsection (d) of section
 14 222 of the Internal Revenue Code of 1986 is amend-
 15 ed by redesignating paragraph (6) as paragraph (7)
 16 and by inserting after paragraph (5) the following
 17 new paragraph:

18 “(6) PAYEE STATEMENT REQUIREMENT.—No
 19 deduction shall be allowed under this section for any
 20 qualified tuition and related expenses paid by the
 21 taxpayer unless—

22 “(A) the taxpayer has received a statement
 23 provided under section 6050S(d) which contains
 24 the TIN of the individual to whom a payment

1 of qualified tuition and related expenses was
 2 made, or

3 “(B) in any case in which—

4 “(i) the qualified tuition and related
 5 expenses are for a course for which aca-
 6 demic credit is not offered by the eligible
 7 educational institution, or

8 “(ii) the eligible educational institu-
 9 tion does not provide the taxpayer with a
 10 statement described in subparagraph (A)
 11 with respect to such qualified tuition and
 12 related expenses,

13 the taxpayer maintains a record, in such form
 14 and manner as prescribed by the Secretary,
 15 showing the date and amount of the expenses.”.

16 (2) CONFORMING AMENDMENT.—Paragraph (3)
 17 of section 222(c) of such Code is amended by adding
 18 at the end the following sentence: “For purposes of
 19 paragraph (6), a statement described in paragraph
 20 (6)(A) which is received by such individual shall be
 21 treated as received by such other taxpayer.”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to taxable years beginning after
 24 the date of the enactment of this Act.

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