

115TH CONGRESS  
1ST SESSION

# S. 2007

To amend the Internal Revenue Code of 1986 to increase the exclusion  
for educational assistance programs.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 25, 2017

Mr. FLAKE (for himself and Ms. CORTEZ MASTO) introduced the following  
bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to increase  
the exclusion for educational assistance programs.

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 “Upward Mobility En-  
5       hancement Act”.

6       **SEC. 2. INCREASE IN EXCLUSION FOR EDUCATIONAL AS-**  
7       **SISTANCE PROGRAMS.**

8       (a) IN GENERAL.—Paragraph (2) of section 127(a)  
9       of the Internal Revenue Code of 1986 is amended to read  
10      as follows:

1 “(2) MAXIMUM EXCLUSION.—

2 “(A) IN GENERAL.—This section shall  
3 apply only to the first \$11,500 of educational  
4 assistance furnished to an individual during a  
5 calendar year.

6 “(B) INFLATION ADJUSTMENT.—In the  
7 case of any calendar year after 2017, the  
8 \$11,500 amount in subparagraph (A) shall be  
9 increased by an amount equal to—

10 “(i) such dollar amount, multiplied by

11 “(ii) the cost-of-living adjustment de-  
12 termined under section 1(f)(3) for the cal-  
13 endar year in which such taxable year be-  
14 gins by substituting ‘calendar year 2016’  
15 for ‘calendar year 1992’ in subparagraph  
16 (B) thereof.

17 If any increase determined under this subpara-  
18 graph is not a multiple of \$50, such increase  
19 shall be rounded to the next lowest multiple of  
20 \$50.”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to taxable years beginning after  
23 December 31, 2016.

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