

116TH CONGRESS
2D SESSION

S. 5069

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

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2020

Ms. CORTEZ MASTO 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 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 2021, 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 2020’
15 for ‘calendar year 2016’ in subparagraph
16 (A)(ii) 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, 2020.

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