

ment of this Act. If the determination under the preceding sentence is that 2005 or 2006 is a cut-off year under section 220(i) of such Code, the cut-off date under such section 220(i) shall be the last day of such 120-day period.”

Pub. L. 108–311, title III, §322(d), Oct. 4, 2004, 118 Stat. 1183, provided that:

“(1) The report required by section 220(j)(4) of the Internal Revenue Code of 1986 to be made on August 1, 2004, shall be treated as timely if made before the close of the 90-day period beginning on the date of the enactment of this Act [Oct. 4, 2004].

“(2) The determination and publication required by section 220(j)(5) of such Code with respect to calendar year 2004 shall be treated as timely if made before the close of the 120-day period beginning on the date of the enactment of this Act. If the determination under the preceding sentence is that 2004 is a cut-off year under section 220(i) of such Code, the cut-off date under such section 220(i) shall be the last day of such 120-day period.”

#### MONITORING OF PARTICIPATION IN MEDICAL SAVINGS ACCOUNTS

Pub. L. 104–191, title III, §301(k), Aug. 21, 1996, 110 Stat. 2052, provided that: “The Secretary of the Treasury or his delegate shall—

“(1) during 1997, 1998, 1999, and 2000, regularly evaluate the number of individuals who are maintaining medical savings accounts and the reduction in revenues to the United States by reason of such accounts, and

“(2) provide such reports of such evaluations to Congress as such Secretary determines appropriate.”

#### STUDY OF EFFECTS OF MEDICAL SAVINGS ACCOUNTS ON SMALL GROUP MARKET

Pub. L. 104–191, title III, §301(l), Aug. 21, 1996, 110 Stat. 2052, mandated a comprehensive study regarding the effects of medical savings accounts in the small group market on selection, health costs, preventive care, consumer choice, high deductible plans, and other relevant issues, and mandated a report to Congress on the results of the study by Jan. 1, 1999.

### § 221. Interest on education loans

#### (a) Allowance of deduction

In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

#### (b) Maximum deduction

##### (1) In general

Except as provided in paragraph (2), the deduction allowed by subsection (a) for the taxable year shall not exceed \$2,500.

##### (2) Limitation based on modified adjusted gross income

###### (A) In general

The amount which would (but for this paragraph) be allowable as a deduction under this section shall be reduced (but not below zero) by the amount determined under subparagraph (B).

###### (B) Amount of reduction

The amount determined under this subparagraph is the amount which bears the same ratio to the amount which would be so taken into account as—

(i) the excess of—

(I) the taxpayer’s modified adjusted gross income for such taxable year, over

(II) \$50,000 (\$100,000 in the case of a joint return), bears to

(ii) \$15,000 (\$30,000 in the case of a joint return).

#### (C) Modified adjusted gross income

The term “modified adjusted gross income” means adjusted gross income determined—

(i) without regard to this section and sections 85(c)<sup>1</sup> 911, 931, and 933, and

(ii) after application of sections 86, 135, 137, 219, and 469.

#### (c) Dependents not eligible for deduction

No deduction shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual’s taxable year begins.

#### (d) Definitions

For purposes of this section—

##### (1) Qualified education loan

The term “qualified education loan” means any indebtedness incurred by the taxpayer solely to pay qualified higher education expenses—

(A) which are incurred on behalf of the taxpayer, the taxpayer’s spouse, or any dependent of the taxpayer as of the time the indebtedness was incurred,

(B) which are paid or incurred within a reasonable period of time before or after the indebtedness is incurred, and

(C) which are attributable to education furnished during a period during which the recipient was an eligible student.

Such term includes indebtedness used to refinance indebtedness which qualifies as a qualified education loan. The term “qualified education loan” shall not include any indebtedness owed to a person who is related (within the meaning of section 267(b) or 707(b)(1)) to the taxpayer or to any person by reason of a loan under any qualified employer plan (as defined in section 72(p)(4)) or under any contract referred to in section 72(p)(5).

##### (2) Qualified higher education expenses

The term “qualified higher education expenses” means the cost of attendance (as defined in section 472 of the Higher Education Act of 1965, 20 U.S.C. 1087ll, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an eligible educational institution, reduced by the sum of—

(A) the amount excluded from gross income under section 127, 135, 529, or 530 by reason of such expenses, and

(B) the amount of any scholarship, allowance, or payment described in section 25A(g)(2).

For purposes of the preceding sentence, the term “eligible educational institution” has the same meaning given such term by section 25A(f)(2), except that such term shall also in-

<sup>1</sup> So in original. Probably should be followed by a comma.

clude an institution conducting an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility which offers postgraduate training.

**(3) Eligible student**

The term “eligible student” has the meaning given such term by section 25A(b)(3).

**(4) Dependent**

The term “dependent” has the meaning given such term by section 152 (determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof).

**(e) Special rules**

**(1) Denial of double benefit**

No deduction shall be allowed under this section for any amount for which a deduction is allowable under any other provision of this chapter, or for which an exclusion is allowable under section 127 to the taxpayer by reason of the payment by the taxpayer’s employer of any indebtedness on a qualified education loan of the taxpayer. The deduction otherwise allowable under subsection (a) (prior to the application of subsection (b)) to the taxpayer for any taxable year shall be reduced (but not below zero) by so much of the distributions treated as a qualified higher education expense under section 529(c)(9) with respect to loans of the taxpayer as would be includible in gross income under section 529(c)(3)(A) for such taxable year but for such treatment.

**(2) Married couples must file joint return**

If the taxpayer is married at the close of the taxable year, the deduction shall be allowed under subsection (a) only if the taxpayer and the taxpayer’s spouse file a joint return for the taxable year.

**(3) Marital status**

Marital status shall be determined in accordance with section 7703.

**(f) Inflation adjustments**

**(1) In general**

In the case of a taxable year beginning after 2002, the \$50,000 and \$100,000 amounts in subsection (b)(2) shall each 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 2001” for “calendar year 2016” in subparagraph (A)(ii) thereof.

**(2) Rounding**

If any amount as adjusted under paragraph (1) is not a multiple of \$5,000, such amount shall be rounded to the next lowest multiple of \$5,000.

(Added Pub. L. 105-34, title II, §202(a), Aug. 5, 1997, 111 Stat. 806; amended Pub. L. 105-206, title VI, §6004(b), July 22, 1998, 112 Stat. 792; Pub. L. 105-277, div. J, title IV, §4003(a)(2)(A), (3), Oct. 21, 1998, 112 Stat. 2681-908; Pub. L. 107-16, title IV, §§402(b)(2)(B), 412(a)(1), (b)(1), (2), 431(c)(2), June

7, 2001, 115 Stat. 62-64, 68; Pub. L. 108-311, title II, §207(20), title IV, §408(b)(5), Oct. 4, 2004, 118 Stat. 1178, 1192; Pub. L. 108-357, title I, §102(d)(2), Oct. 22, 2004, 118 Stat. 1428; Pub. L. 109-135, title IV, §412(t), Dec. 21, 2005, 119 Stat. 2638; Pub. L. 113-295, div. A, title II, §221(a)(40), Dec. 19, 2014, 128 Stat. 4043; Pub. L. 115-97, title I, §§11002(d)(1)(U), 13305(b)(1), Dec. 22, 2017, 131 Stat. 2060, 2126; Pub. L. 116-94, div. O, title III, §302(b)(2), Dec. 20, 2019, 133 Stat. 3176; Pub. L. 116-136, div. A, title II, §2206(b), Mar. 27, 2020, 134 Stat. 347; Pub. L. 116-260, div. EE, title I, §104(b)(2)(G), Dec. 27, 2020, 134 Stat. 3041; Pub. L. 117-2, title IX, §9042(b)(6), Mar. 11, 2021, 135 Stat. 122.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**Editorial Notes**

**REFERENCES IN TEXT**

The date of the enactment of the Taxpayer Relief Act of 1997, referred to in subsec. (d)(2), is the date of enactment of Pub. L. 105-34, which was approved Aug. 5, 1997.

**PRIOR PROVISIONS**

A prior section 221 was renumbered section 224 of this title.

Another prior section 221, added Pub. L. 97-34, title I, §103(a), Aug. 13, 1981, 95 Stat. 187; amended Pub. L. 97-448, title III, §305(d)(4), Jan. 12, 1983, 96 Stat. 2400, related to deduction for two-earner married couples, prior to repeal by Pub. L. 99-514, title I, §131(a), Oct. 22, 1986, 100 Stat. 2113, applicable to taxable years beginning after Dec. 31, 1986.

**AMENDMENTS**

2021—Subsec. (b)(2)(C)(i). Pub. L. 117-2 inserted “85(c)” before “911”.

2020—Subsec. (b)(2)(C)(i). Pub. L. 116-260 struck out “222,” after “and sections”.

Subsec. (e)(1). Pub. L. 116-136 inserted “, or for which an exclusion is allowable under section 127 to the taxpayer by reason of the payment by the taxpayer’s employer of any indebtedness on a qualified education loan of the taxpayer” after “provision of this chapter”.

2019—Subsec. (e)(1). Pub. L. 116-94 inserted at end: “The deduction otherwise allowable under subsection (a) (prior to the application of subsection (b)) to the taxpayer for any taxable year shall be reduced (but not below zero) by so much of the distributions treated as a qualified higher education expense under section 529(c)(9) with respect to loans of the taxpayer as would be includible in gross income under section 529(c)(3)(A) for such taxable year but for such treatment.”

2017—Subsec. (b)(2)(C)(i). Pub. L. 115-97, §13305(b)(1), struck out “199,” after “and sections”.

Subsec. (f)(1)(B). Pub. L. 115-97, §11002(d)(1)(U), substituted “for ‘calendar year 2016’ in subparagraph (A)(ii)” for “for ‘calendar year 1992’ in subparagraph (B)”.

2014—Subsec. (b)(1). Pub. L. 113-295 substituted “shall not exceed \$2,500.” for “shall not exceed the amount determined in accordance with the following table:” and table of amounts for taxable years 1998 to 2001 and thereafter.

2005—Subsec. (d)(2). Pub. L. 109-135 substituted “the Taxpayer Relief Act of 1997” for “this Act”.

2004—Subsec. (b)(2)(C)(i). Pub. L. 108-357 inserted “199,” before “222”.

Subsec. (d)(4). Pub. L. 108-311, §207(20), inserted “(determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof)” after “section 152”.

Subsec. (f)(1). Pub. L. 108-311, §408(b)(5), amended directory language of Pub. L. 107-16, §412(b)(2). See 2001 Amendment note below.

2001—Subsec. (b)(2)(B)(i), (ii). Pub. L. 107-16, §412(b)(1), amended cls. (i) and (ii) generally. Prior to amendment, cls. (i) and (ii) read as follows:

“(i) the excess of—

“(I) the taxpayer’s modified adjusted gross income for such taxable year, over

“(II) \$40,000 (\$60,000 in the case of a joint return), bears to

“(ii) \$15,000.”

Subsec. (b)(2)(C)(i). Pub. L. 107-16, §431(c)(2), inserted “222,” before “911”.

Subsec. (d). Pub. L. 107-16, §412(a)(1), redesignated subsec. (e) as (d), and struck out heading and text of former subsec. (d). Text read as follows: “A deduction shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan. Such 60 months shall be determined in the manner prescribed by the Secretary in the case of multiple loans which are refinanced by, or serviced as, a single loan and in the case of loans incurred before the date of the enactment of this section.”

Subsec. (e). Pub. L. 107-16, §412(a)(1), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Subsec. (e)(2)(A). Pub. L. 107-16, §402(b)(2)(B), inserted “529,” after “135.”

Subsec. (f). Pub. L. 107-16, §412(a)(1), redesignated subsec. (g) as (f). Former subsec. (f) redesignated (e).

Subsec. (f)(1). Pub. L. 107-16, §412(b)(2), as amended by Pub. L. 108-311, §408(b)(5), substituted “\$50,000 and \$100,000 amounts” for “\$40,000 and \$60,000 amounts”.

Subsec. (g). Pub. L. 107-16, §412(a)(1), redesignated subsec. (g) as (f).

1998—Subsec. (b)(2)(C). Pub. L. 105-277, §4003(a)(2)(A)(iii), struck out concluding provisions which read as follows: “For purposes of sections 86, 135, 137, 219, and 469, adjusted gross income shall be determined without regard to the deduction allowed under this section.”

Subsec. (b)(2)(C)(i). Pub. L. 105-277, §4003(a)(2)(A)(i), struck out “135, 137,” after “sections”.

Subsec. (b)(2)(C)(ii). Pub. L. 105-277, §4003(a)(2)(A)(ii), inserted “135, 137,” after “sections 86.”

Subsec. (d). Pub. L. 105-206, §6004(b)(2), inserted at end “Such 60 months shall be determined in the manner prescribed by the Secretary in the case of multiple loans which are refinanced by, or serviced as, a single loan and in the case of loans incurred before the date of the enactment of this section.”

Subsec. (e)(1). Pub. L. 105-277, §4003(a)(3), inserted before period at end “or to any person by reason of a loan under any qualified employer plan (as defined in section 72(p)(4)) or under any contract referred to in section 72(p)(5)”.

Pub. L. 105-206, §6004(b)(1), inserted “by the taxpayer solely” after “incurred” in introductory provisions.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2021 AMENDMENT

Amendment by Pub. L. 117-2 applicable to taxable years beginning after Dec. 31, 2019, see section 9042(c) of Pub. L. 117-2, set out as a note under section 74 of this title.

##### EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116-260 applicable to taxable years beginning after Dec. 31, 2020, see section 104(c) of div. EE of Pub. L. 116-260, set out as a note under section 25A of this title.

Amendment by Pub. L. 116-136 applicable to payments made after Mar. 27, 2020, see section 2206(c) of Pub. L. 116-136, set out as a note under section 127 of this title.

##### EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-94, div. O, title III, §302(c), Dec. 20, 2019, 133 Stat. 3176, provided that: “The amendments made by this section [amending this section and section 529 of this title] shall apply to distributions made after December 31, 2018.”

##### EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by section 11002(d)(1)(U) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 11002(e) of Pub. L. 115-97, set out as a note under section 1 of this title.

Amendment by section 13305(b)(1) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, except as provided by transition rule, see section 13305(c) of Pub. L. 115-97, set out as a note under section 74 of this title.

##### EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

##### EFFECTIVE DATE OF 2004 AMENDMENTS

Amendment by Pub. L. 108-357 applicable to taxable years beginning after Dec. 31, 2004, see section 102(e) of Pub. L. 108-357, set out as a note under section 56 of this title.

Amendment by section 207(20) of Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

##### EFFECTIVE DATE OF 2001 AMENDMENT

Amendment by section 402(b)(2)(B) of Pub. L. 107-16 applicable to taxable years beginning after Dec. 31, 2001, see section 402(h) of Pub. L. 107-16, set out as a note under section 72 of this title.

Pub. L. 107-16, title IV, §412(a)(3), June 7, 2001, 115 Stat. 64, provided that: “The amendments made by this subsection [amending this section and section 6050S of this title] shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.”

Pub. L. 107-16, title IV, §412(b)(3), June 7, 2001, 115 Stat. 64, provided that: “The amendments made by this subsection [amending this section] shall apply to taxable years ending after December 31, 2001.”

Amendment by section 431(c)(2) of Pub. L. 107-16 applicable to payments made in taxable years beginning after Dec. 31, 2001, see section 431(d) of Pub. L. 107-16, set out as a note under section 62 of this title.

##### EFFECTIVE DATE OF 1998 AMENDMENTS

Amendment by Pub. L. 105-277 effective as if included in the provision of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 4003(l) of Pub. L. 105-277, set out as a note under section 86 of this title.

Amendment by Pub. L. 105-206 effective, except as otherwise provided, as if included in the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, to which such amendment relates, see section 6024 of Pub. L. 105-206, set out as a note under section 1 of this title.

##### EFFECTIVE DATE

Section applicable to any qualified education loan (as defined in subsec. (e)(1) of this section) incurred on, before, or after Aug. 5, 1997, but only with respect to any loan interest payment due and paid after Dec. 31, 1997, and to the portion of the 60-month period referred to in subsec. (d) of this section after Dec. 31, 1997, see section 202(e) of Pub. L. 105-34, set out as an Effective Date of 1997 Amendment note under section 62 of this title.

#### [§ 222. Repealed. Pub. L. 116-260, div. EE, title I, § 104(b)(1), Dec. 27, 2020, 134 Stat. 3041]

Section, added Pub. L. 107-16, title IV, §431(a), June 7, 2001, 115 Stat. 66; amended Pub. L. 108-357, title I,