

103^D CONGRESS
1ST SESSION

H. R. 2226

To amend the Internal Revenue Code of 1986 to restore the pre-1986 exclusion for scholarships for degree candidates.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1993

Mr. LEWIS of Florida (for himself, Mr. DOOLITTLE, Mr. TOWNS, and Mr. WALSH) 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 restore the pre-1986 exclusion for scholarships for degree candidates.

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. RESTORATION OF PRE-1986 EXCLUSION FOR**
4 **SCHOLARSHIPS FOR DEGREE CANDIDATES.**

5 (a) IN GENERAL.—Section 117 of the Internal Reve-
6 nue Code of 1986 (relating to qualified scholarships) is
7 amended by striking all that precedes subsection (d) and
8 inserting the following:

1 **“SEC. 117. SCHOLARSHIPS AND FELLOWSHIP GRANTS.**

2 “(a) GENERAL RULE.—In the case of an individual
3 who is a candidate for a degree at an educational organi-
4 zation described in section 170(b)(1)(A)(ii), gross income
5 does not include—

6 “(1) any amount received—

7 “(A) as a scholarship at such an organiza-
8 tion, or

9 “(B) as a fellowship grant,
10 including the value of contributed services and ac-
11 commodations; and

12 “(2) any amount received to cover expenses
13 for—

14 “(A) travel

15 “(B) research,

16 “(C) clerical help, or

17 “(D) equipment,

18 which are incident to such a scholarship or to a fel-
19 lowship grant, but only to the extent that the
20 amount is so expended by the recipient.

21 “(b) LIMITATION.—Subsections (a) and (c) shall not
22 apply to that portion of any amount received which rep-
23 resents payment for teaching, research, or other services
24 in the nature of part-time employment required as a condi-
25 tion to receiving the scholarship or the fellowship grant.
26 If the teaching, research, or other services are required

1 of all candidates (whether or not recipients of scholarships
2 or fellowship grants) for a particular degree as a condition
3 to receiving such degree, such teaching, research, or other
4 services shall not be regarded as part-time employment
5 within the meaning of this subsection.”

6 (b) TECHNICAL AMENDMENTS.—

7 (1) Subsection (d) of section 117 of such Code
8 is redesignated as subsection (c).

9 (2) The item relating to section 117 in the table
10 of sections for part III of subchapter B of chapter
11 1 of such Code is amended to read as follows:

“Sec. 117. Scholarships and fellowship grants.”

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

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