

104TH CONGRESS
1ST SESSION

H. R. 1272

To amend the Internal Revenue Code of 1986 to allow a deduction for the payment of postsecondary education expenses.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 1995

Mr. ACKERMAN 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 allow a deduction for the payment of postsecondary education expenses.

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. DEDUCTION FOR POSTSECONDARY EDUCATION**
4 **EXPENSES.**

5 (a) DEDUCTION ALLOWED.—Part VII of subchapter
6 B of chapter 1 of the Internal Revenue Code of 1986 (re-
7 lating to additional itemized deductions for individuals) is
8 amended by redesignating section 220 as section 221 and
9 by inserting after section 219 the following new section:

1 **“SEC. 220. POSTSECONDARY EDUCATION EXPENSES.**

2 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
3 individual, there shall be allowed as a deduction an
4 amount equal to the qualified postsecondary education ex-
5 penses paid by the taxpayer during the taxable year.

6 “(b) DOLLAR LIMITATIONS.—

7 “(1) PER STUDENT.—The aggregate payments
8 during the taxable year for the qualified postsecond-
9 ary education expenses of each individual which may
10 be taken into account under subsection (a) shall not
11 exceed \$10,000.

12 “(2) PER TAXPAYER.—The amount allowed as
13 a deduction under subsection (a) for the taxable year
14 shall not exceed \$20,000.

15 “(c) DEFINITIONS.—For purposes of this section—

16 “(1) QUALIFIED POSTSECONDARY EDUCATION
17 EXPENSES.—The term ‘qualified postsecondary edu-
18 cation expenses’ means qualified tuition and related
19 expenses of—

20 “(A) the taxpayer, or

21 “(B) an individual who is the spouse, or a
22 dependent, of the taxpayer for the taxable year
23 in which such expenses are incurred,
24 for attendance at an eligible educational institution.

1 “(2) QUALIFIED TUITION AND RELATED EX-
2 PENSES.—The term ‘qualified tuition and related ex-
3 penses’ means—

4 “(A) tuition and fees required for enroll-
5 ment or attendance at an eligible educational
6 institution,

7 “(B) fees, books, supplies, and equipment
8 required for courses of instruction at such an
9 institution, and

10 “(C) reasonable living expenses while away
11 from home.

12 Such term shall not include expenses which are
13 treated as not described in section 135(c)(2)(A) by
14 reason of section 135(c)(2)(B).

15 “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—
16 The term ‘eligible educational institution’ has the
17 meaning given to such term by section 135(c)(3).

18 “(d) COORDINATION WITH OTHER PROVISIONS.—

19 “(1) NO DOUBLE BENEFIT.—

20 “(A) IN GENERAL.—No deduction shall be
21 allowed under subsection (a) for qualified post-
22 secondary education expenses with respect to
23 which a deduction is allowed under any other
24 provision of this chapter.

1 “(B) SAVINGS BOND EXCLUSION.—A de-
2 duction shall be allowed under subsection (a)
3 for qualified postsecondary education expenses
4 only to the extent the amount of such expenses
5 exceeds the amount excludable under section
6 135 for the taxable year.

7 “(e) SPECIAL RULES.—

8 “(1) ADJUSTMENT FOR CERTAIN SCHOLAR-
9 SHIPS AND VETERANS BENEFITS.—The amounts
10 otherwise taken into account under subsection (a) as
11 qualified postsecondary education expenses of any
12 individual during any period shall be reduced (before
13 the application of subsection (b)) by any amounts
14 received by such individual during such period as—

15 “(A) a qualified scholarship (within the
16 meaning of section 117(b)) which under section
17 117 is not includible in gross income, or

18 “(B) an educational assistance allowance
19 under chapters 30, 31, 32, 34, or 35 of title 38
20 of the United States Code.

21 “(2) ELIGIBLE COURSES.—Amounts paid for
22 qualified postsecondary education expenses of any
23 individual shall be taken into account under sub-
24 section (a) only to the extent such expenses are at-
25 tributable to courses of instruction for which credit

1 is allowed toward a degree by an institution of high-
2 er education or toward a certificate of required
3 course work at a vocational school.

4 “(3) INDIVIDUAL MUST BE AT LEAST A HALF-
5 TIME STUDENT.—No deduction shall be allowed
6 under subsection (a) for amounts paid during the
7 taxable year for qualified postsecondary education
8 expenses with respect to any individual unless that
9 individual, during any 4 calendar months during the
10 calendar year in which the taxable year of the tax-
11 payer begins, is at least a half-time student at an el-
12 igible education institution.

13 “(4) TAXPAYER WHO IS DEPENDENT OF AN-
14 OTHER TAXPAYER.—No deduction shall be allowed
15 to a taxpayer under subsection (a) for amount paid
16 for the education of such taxpayer if such taxpayer
17 is a dependent of another person for a taxable year
18 beginning in the calendar year in which the taxable
19 year of the taxpayer begins.

20 “(5) SPOUSE.—No deduction shall be allowed
21 under subsection (a) for amounts paid during the
22 taxable year for qualified postsecondary education
23 expenses for the spouse of the taxpayer unless—

1 “(A) the taxpayer is entitled to an exemp-
2 tion for his spouse under section 151(b) for the
3 taxable year, or

4 “(B) the taxpayer files a joint return with
5 his spouse for the taxable year.”

6 (b) DEDUCTION ALLOWED IN COMPUTING AD-
7 JUSTED GROSS INCOME.—Section 62(a) of such Code is
8 amended by inserting after paragraph (15) the following
9 new paragraph:

10 “(16) POSTSECONDARY EDUCATION EX-
11 PENSES.—The deduction allowed by section 220.”

12 (c) CONFORMING AMENDMENT.—The table of sec-
13 tions for part VII of subchapter B of chapter 1 of such
14 Code is amended by striking the item relating to section
15 220 and inserting:

“Sec. 220. Postsecondary education expenses.
“Sec. 221. Cross reference.”

16 (d) EFFECTIVE DATES.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 1994.

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