

105TH CONGRESS
2D SESSION

H. R. 4072

To amend the Internal Revenue Code of 1986 to allow a deduction for post-secondary tuition and related expenses in lieu of the Hope and Lifetime Learning credits.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1998

Mr. MALONEY of Connecticut 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 post-secondary tuition and related expenses in lieu of the Hope and Lifetime Learning credits.

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 “Higher Education
5 Family Opportunity Act of 1998”.

1 **SEC. 2. DEDUCTION FOR POSTSECONDARY TUITION AND**
 2 **RELATED EXPENSES IN LIEU OF HOPE AND**
 3 **LIFETIME LEARNING CREDIT.**

4 (a) IN GENERAL.—Part VII of subchapter B of chap-
 5 ter 1 of the Internal Revenue Code of 1986 (relating to
 6 additional itemized deductions for individuals) is amended
 7 by redesignating section 222 as section 223 and by insert-
 8 ing after section 221 the following new section:

9 **“SEC. 222. DEDUCTION FOR POSTSECONDARY TUITION AND**
 10 **RELATED EXPENSES IN LIEU OF HOPE AND**
 11 **LIFETIME LEARNING CREDIT.**

12 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
 13 individual, there shall be allowed as a deduction for the
 14 taxable year an amount equal to the qualified tuition and
 15 related expenses paid or incurred by such individual.

16 “(b) LIMITATION.—

17 “(1) IN GENERAL.—The amount allowable as a
 18 deduction under subsection (a) for a taxable year
 19 shall not exceed the deductible limit for each eligible
 20 student.

21 “(2) DEDUCTIBLE LIMIT.—For purposes of
 22 paragraph (1), the deductible limit for a taxable
 23 year shall be determined in accordance with the fol-
 24 lowing table:

| “Taxable years beginning in calendar year: | Deductible limit: |
|---|--------------------------|
| 1999 | \$5,000 |

| | |
|---------------------------|-----------|
| 2000 | \$5,500 |
| 2001 | \$6,000 |
| 2002 | \$6,500 |
| 2003 | \$7,000 |
| 2004 | \$7,500 |
| 2005 | \$8,000 |
| 2006 | \$8,500 |
| 2007 | \$9,000 |
| 2008 | \$9,500 |
| 2009 and thereafter | \$10,000. |

1 “(c) QUALIFIED TUITION AND RELATED EXPENSES;
2 ELIGIBLE STUDENT.—The terms ‘qualified tuition and re-
3 lated expenses’ and ‘eligible student’ shall have the same
4 meanings given to such terms by section 25A.

5 “(d) APPLICABLE RULES.—For purposes of this sec-
6 tion, rules similar to the rules of section 25A(g) shall
7 apply.”.

8 (b) DEDUCTION NOT A MISCELLANEOUS ITEMIZED
9 DEDUCTION.—Subsection (b) of section 67 of such Code
10 (relating to miscellaneous itemized deductions) is amended
11 by striking “and” at the end of paragraph (11), by strik-
12 ing the period at the end of paragraph (12) and inserting
13 “, and”, and by adding at the end the following new para-
14 graph:

15 “(13) the deduction under section 222 (relating
16 to deduction for postsecondary tuition and related
17 expenses in lieu of Hope and Lifetime Learning
18 credit).”.

19 (c) CONFORMING AMENDMENTS.—

1 (1) Subparagraph (B) of section 72(t)(7) of
2 such Code is amended by inserting “or 222(e)(2), as
3 the case may be” after “section 25A(g)(2)”.

4 (2) Paragraph (2) of section 135(d) of such
5 Code is amended by inserting “or 222, as the case
6 may be,” after “section 25A”.

7 (3) Paragraph (2) of section 221(e) of such
8 Code is amended by striking “and” after subpara-
9 graph (A), by striking the period at the end of sub-
10 paragraph (B) and inserting “, and”, and by insert-
11 ing after subparagraph (B) the following new sub-
12 paragraph:

13 “(C) the amount allowed as a deduction
14 under section 222.”.

15 (4) Paragraph (2) of section 6213(g) of such
16 Code is amended—

17 (A) by striking “and” at the end of sub-
18 paragraph (J) (as added by section 201(b) of
19 the Taxpayer Relief Act of 1997),

20 (B) by redesignating subparagraph (J) (as
21 added by section 1085(a)(3) of the Taxpayer
22 Relief Act of 1997) as subparagraph (K) and
23 by striking the period at the end of such sub-
24 paragraph and inserting “, and”, and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(L) an omission of a correct TIN re-
4 quired under section 222(e)(1) (relating to
5 higher education tuition and related expenses)
6 to be included on a return.”.

7 (d) CLERICAL AMENDMENT.—The table of sections
8 for part VII of subchapter B of chapter 1 of such Code
9 is amended by striking the last item and inserting the fol-
10 lowing new items:

“Sec. 222. Deduction for postsecondary tuition and related ex-
penses in lieu of Hope and Lifetime Learning cred-
it.

“Sec. 223. Cross reference.”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to expenses paid or incurred after
13 December 31, 1998, for education furnished in academic
14 periods beginning after such date.

○