

106TH CONGRESS
2D SESSION

H. R. 5215

To amend the Internal Revenue Code of 1986 to exclude national service educational awards from the recipient's gross income.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2000

Mr. SANDERS 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 exclude national service educational awards from the recipient's gross income.

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. EXCLUSION OF NATIONAL SERVICE EDU-**
4 **CATIONAL AWARDS.**

5 (a) IN GENERAL.—Section 117 of the Internal Rev-
6 enue Code of 1986 (relating to qualified scholarships) is
7 amended by adding at the end the following:

8 “(e) QUALIFIED NATIONAL SERVICE EDUCATIONAL
9 AWARDS.—

1 “(1) IN GENERAL.—Gross income for any tax-
2 able year shall not include any qualified national
3 service educational award.

4 “(2) QUALIFIED NATIONAL SERVICE EDU-
5 CATIONAL AWARD.—For purposes of this
6 subsection—

7 “(A) IN GENERAL.—The term ‘qualified
8 national service educational award’ means any
9 amount received by an individual in a taxable
10 year as a national service educational award
11 under section 148 of the National and Commu-
12 nity Service Act of 1990 (42 U.S.C. 12604) to
13 the extent (except as provided in subparagraph
14 (C)) such amount does not exceed the qualified
15 tuition and related expenses (as defined in sub-
16 section (b)(2)) of the individual for such taxable
17 year.

18 “(B) DETERMINATION OF EXPENSES.—
19 The total amount of the qualified tuition and
20 related expenses (as so defined) which may be
21 taken into account under subparagraph (A)
22 with respect to an individual for the taxable
23 year shall be reduced (after the application of
24 the reduction provided in section 25A(g)(2)) by
25 the amount of such expenses which were taken

1 into account in determining the credit allowed
2 to the taxpayer or any other person under sec-
3 tion 25A with respect to such expenses.

4 “(C) EXCEPTION TO LIMITATION.—The
5 limitation under subparagraph (A) shall not
6 apply to any portion of a national service edu-
7 cational award used by such individual to repay
8 any student loan described in section 148(a)(1)
9 of such Act or to pay any interest expense de-
10 scribed in section 148(a)(4) of such Act.”

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to amounts received in taxable
13 years beginning after December 31, 1999.

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