

109TH CONGRESS
1ST SESSION

H. R. 2994

To make qualified tuition programs permanent and to amend the Internal Revenue Code of 1986 to allow a deduction for amounts contributed to qualified tuition programs.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2005

Mr. ROGERS of Michigan introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To make qualified tuition programs permanent and to amend the Internal Revenue Code of 1986 to allow a deduction for amounts contributed to qualified tuition programs.

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 “Securing Affordable
5 Vocational and Collegiate Education (SAVE) Act of
6 2005”.

1 **SEC. 2. REPEAL OF THE SUNSET WITH RESPECT TO QUALI-**
2 **FIED TUITION PROGRAMS.**

3 Section 901 of the Economic Growth and Tax Relief
4 Reconciliation Act of 2001 shall not apply to section 402
5 of such Act.

6 **SEC. 3. DEDUCTION FOR PAYMENTS TO QUALIFIED TUI-**
7 **TION PROGRAMS.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 (relating to
10 additional itemized deductions for individuals) is amended
11 by redesignating section 224 as section 225 and by insert-
12 ing after section 223 the following new section:

13 **“SEC. 224. PAYMENTS TO QUALIFIED TUITION PROGRAMS.**

14 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
15 individual, there shall be allowed as a deduction an
16 amount equal to the amount paid by the taxpayer during
17 the taxable year to any qualified tuition program (as de-
18 fined in section 529) for the benefit of any designated ben-
19 efiary (as defined in such section).

20 “(b) DOLLAR LIMITATION.—The deduction allowed
21 by subsection (a) for the taxable year shall not exceed
22 \$5,000 (\$10,000 in the case of a joint return).”.

23 (b) DEDUCTION ALLOWED IN COMPUTING AD-
24 JUSTED GROSS INCOME.—Section 62(a) of such Code is
25 amended by redesignating paragraph (19) (relating to
26 costs involving discrimination suits, etc.) as paragraph

1 (20) and by inserting after paragraph (20) the following
2 new paragraph:

3 “(21) PAYMENTS TO QUALIFIED TUITION PRO-
4 GRAMS.—The deduction allowed by section 224.”.

5 (c) CONFORMING AMENDMENT.—The table of sec-
6 tions for part VII of subchapter B of chapter 1 of such
7 Code is amended by redesignating the item relating to sec-
8 tion 224 as an item relating to section 225 and by insert-
9 ing after the item relating to section 223 the following
10 new item:

 “Sec. 224. Payments to qualified tuition programs.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2004.

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