

109TH CONGRESS
1ST SESSION

S. 1677

To amend the Internal Revenue Code of 1986 to permanently extend the deduction for college tuition expenses and to expand such deduction to include expenses for books.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2005

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the deduction for college tuition expenses and to expand such deduction to include expenses for books.

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. PERMANENT EXTENSION OF TUITION DEDUC-
4 TION AND EXPANSION TO INCLUDE COLLEGE
5 BOOK EXPENSES.**

6 (a) IN GENERAL.—Section 222(b)(2) of the Internal
7 Revenue Code of 1986 (relating to applicable dollar limit)
8 is amended by striking subparagraphs (A) and (B) and
9 inserting the following new subparagraphs:

1 “(A) IN GENERAL.—The applicable dollar
2 amount with respect to qualified tuition and re-
3 lated expenses described in subsection
4 (d)(1)(A)(i) shall be equal to—

5 “(i) in the case of a taxpayer whose
6 adjusted gross income for the taxable year
7 does not exceed \$65,000 (\$130,000 in the
8 case of a joint return), \$4,000,

9 “(ii) in the case of a taxpayer whose
10 adjusted gross income for the taxable year
11 does not exceed \$80,000 (\$160,000 in the
12 case of a joint return), \$2,000, and

13 “(iii) in the case of any other tax-
14 payer, zero.

15 “(B) BOOKS.—The applicable dollar
16 amount with respect to qualified tuition and re-
17 lated expenses described in subsection
18 (d)(1)(A)(ii) shall be equal to—

19 “(i) in the case of a taxpayer whose
20 adjusted gross income for the taxable year
21 does not exceed \$65,000 (\$130,000 in the
22 case of a joint return), \$1,000,

23 “(ii) in the case of a taxpayer whose
24 adjusted gross income for the taxable year

1 does not exceed \$80,000 (\$160,000 in the
2 case of a joint return), \$500, and
3 “(iii) in the case of any other tax-
4 payer, zero.”.

5 (b) EXPANSION OF RELATED EXPENSES.—Para-
6 graph (1) of section 222(d) of the Internal Revenue Code
7 of 1986 (relating to definitions and special rules) is
8 amended to read as follows:

9 “(1) QUALIFIED TUITION AND RELATED EX-
10 PENSES.—

11 “(A) IN GENERAL.—The term ‘qualified
12 tuition and related expenses’—

13 “(i) has the meaning given such term
14 by section 25(f), and

15 “(ii) includes books (within the mean-
16 ing of section 529(e)(3)(A)(i)).

17 “(B) SPECIAL RULE.—Such expenses shall
18 be reduced in the same manner as under sec-
19 tion 25A(g)(2).”.

20 (c) DEDUCTION MADE PERMANENT.—Section 222 of
21 the Internal Revenue Code of 1986 is amended by striking
22 subsection (e).

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to payments made in taxable years
3 beginning after December 31, 2005.

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