

1 cational assistance programs) is amended by striking sub-
2 section (d).

3 (b) REPEAL OF RESTRICTIONS RELATING TO EDU-
4 CATION AT THE GRADUATE LEVEL.—

5 (1) Paragraph (1) of section 127(c) of such
6 Code is amended by striking the last sentence.

7 (2) Subsection (c) of section 127 of such Code
8 is amended by striking paragraph (8).

9 (c) INCREASE IN, AND INDEXING OF, MAXIMUM
10 EXCLUSION.—

11 (1) Paragraph (2) of section 127(a) of such
12 Code is amended by striking “\$5,250” each place it
13 appears and inserting “\$6,000”.

14 (2) Subsection (a) of section 127 is amended by
15 adding at the end thereof the following new para-
16 graph:

17 “(3) COST-OF-LIVING ADJUSTMENT OF MAXI-
18 MUM EXCLUSION.—In the case of any taxable year
19 beginning in a calendar year after 1993, the dollar
20 amount contained in paragraph (2) shall be in-
21 creased by an amount equal to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3), for the calendar
25 year in which the taxable year begins, by sub-

1 stituting ‘calendar year 1993’ for ‘calendar year
2 1987’ in subparagraph (B) thereof.”

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 1992.

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