

110TH CONGRESS
1ST SESSION

H. R. 2672

To amend the Internal Revenue Code of 1986 to provide a deduction for the cost of attendance at an eligible educational institution.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2007

Mr. SMITH of Nebraska (for himself, Mr. DOOLITTLE, and Mr. PAUL) 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 provide a deduction for the cost of attendance at an eligible educational institution.

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 “Real Access to College
5 Education Act of 2007”.

6 **SEC. 2. DEDUCTION FOR QUALIFIED POST-SECONDARY**
7 **EDUCATIONAL EXPENSES.**

8 (a) IN GENERAL.—Part VII of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 (relating to

1 additional itemized deductions) is amended by redesignig-
2 nating section 224 as section 225 and by inserting after
3 section 223 the following new section:

4 **“SEC. 224. COSTS OF POST-SECONDARY EDUCATION.**

5 “(a) IN GENERAL.—In the case of an individual,
6 there shall be allowed as a deduction an amount equal to
7 the qualified post-secondary educational expenses paid or
8 incurred by the taxpayer with respect to the taxpayer and,
9 in the case of a joint return, the taxpayer’s spouse.

10 “(b) LIMITATIONS.—

11 “(1) DOLLAR AMOUNT LIMITATION.—The
12 qualified post-secondary educational expenses taken
13 into account under subsection (a) with respect to
14 any individual for any taxable year shall not exceed
15 \$13,150.

16 “(2) LIMITATION BASED ON MODIFIED AD-
17 JUSTED GROSS INCOME.—

18 “(A) IN GENERAL.—The amount which
19 would (but for this paragraph) be taken into ac-
20 count under subsection (a) for the taxable year
21 shall be reduced (but not below zero) by the
22 amount determined under subparagraph (B).

23 “(B) AMOUNT OF REDUCTION.—The
24 amount determined under this subparagraph is
25 the amount which bears the same ratio to the

1 amount which would be so taken into account
2 as—

3 “(i) the excess of—

4 “(I) the taxpayer’s modified ad-
5 justed gross income for such taxable
6 year, over

7 “(II) \$55,000 (twice such
8 amount in the case of a joint return),
9 bears to

10 “(ii) \$10,000 (\$20,000 in the case of
11 a joint return).

12 “(C) MODIFIED ADJUSTED GROSS IN-
13 COME.—For purposes of this paragraph, the
14 term ‘modified adjusted gross income’ means
15 the adjusted gross income of the taxpayer for
16 the taxable year increased by any amount ex-
17 cluded from gross income under section 911,
18 931, or 933.

19 “(c) QUALIFIED POST-SECONDARY EDUCATIONAL
20 EXPENSES.—For purposes of this section, the term ‘quali-
21 fied post-secondary educational expenses’ means—

22 “(1) qualified tuition and related expenses (as
23 defined in section 25A(f)(1)), and

24 “(2) reasonable costs incurred for room and
25 board of the individual while such individual is at-

1 tending an eligible educational institution (as de-
2 fined in section 25A(f)(2)) which are not in excess
3 of the limitations imposed under section
4 529(e)(3)(B)(ii).

5 “(d) STUDENT MUST BE AT LEAST HALF TIME.—
6 No expense shall be taken into account under subsection
7 (a) with respect to any individual unless such individual
8 is an eligible student (as defined in section 25A(b)(3))
9 with respect to the academic period to which such expense
10 relates.

11 “(e) APPLICATION OF CERTAIN RULES.—Rules simi-
12 lar to the rules of subsections (e) and (g) of section 25A
13 shall apply for purposes of this section.

14 “(f) INFLATION ADJUSTMENT.—

15 “(1) IN GENERAL.—In the case of a taxable
16 year beginning after 2007, the dollar amounts con-
17 tained in paragraphs (1) and (2)(B)(i)(II) of sub-
18 section (b) shall each be increased by an amount
19 equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘calendar year 2006’ for

1 ‘calendar year 1992’ in subparagraph (B)
2 thereof.

3 “(2) ROUNDING.—If any amount as adjusted
4 under paragraph (1) is not a multiple of \$1,000
5 such amount shall be rounded to the next lowest
6 multiple of \$1,000. In the case of the adjustment of
7 the dollar amount contained in subsection (b)(1), the
8 previous sentence shall be applied by substituting
9 ‘\$50’ for ‘\$1,000’.”.

10 (b) DEDUCTION ALLOWED IN COMPUTING AD-
11 JUSTED GROSS INCOME.—Subsection (a) of section 62 of
12 such Code is amended by inserting before the last sentence
13 the following new paragraph:

14 “(22) COSTS OF POST-SECONDARY EDU-
15 CATION.—The deduction allowed by section 224.”.

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for part VII of subchapter B of chapter 1 of such Code
18 is amended by redesignating the item relating to section
19 224 as an item relating to section 225 and inserting before
20 such item the following new item:

 “Sec. 224. Costs of post-secondary education.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2006.

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