

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2916

To put a college education within reach, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9, 2002

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

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## A BILL

To put a college education within reach, and for other  
purposes.

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 “Tuition Assistance for  
5 Families Act”.

6       **SEC. 2. EXPANSION OF TUITION TAX DEDUCTION.**

7       (a) IN GENERAL.—Subparagraphs (A) and (B) of  
8 section 222(b)(2) of the Internal Revenue Code of 1986  
9 (relating to dollar limitation) are amended to read as fol-  
10 lows:

1           “(A) IN GENERAL.—The applicable dollar  
2           limit shall be equal to—

3                   “(i) in the case of a taxpayer whose  
4                   adjusted gross income for the taxable year  
5                   does not exceed \$65,000 (\$130,000 in the  
6                   case of a joint return), \$12,000,

7                   “(ii) with respect to any taxable year  
8                   beginning in 2004 or 2005, in the case of  
9                   a taxpayer not described in clause (i)  
10                  whose adjusted gross income for the tax-  
11                  able year does not exceed \$80,000  
12                  (\$160,000 in the case of a joint return),  
13                  \$2,000, and

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

16           “(B) INFLATION ADJUSTMENT.—

17                   “(i) IN GENERAL.—In the case of any  
18                   taxable year beginning after 2003, each  
19                   dollar amount referred to in subparagraph  
20                   (A)(i) shall be increased by an amount  
21                   equal to—

22                           “(I) such dollar amount, multi-  
23                           plied by

24                           “(II) the cost-of-living adjust-  
25                           ment determined under section

1 (1)(f)(3) for the calendar year in  
2 which the taxable year begins, by sub-  
3 stituting ‘2002’ for ‘1992’.

4 “(ii) ROUNDING.—If any amount as  
5 adjusted under clause (i) is not a multiple  
6 of \$100, such amount shall be rounded to  
7 the next lowest multiple of \$100.”.

8 (b) PERMANENT DEDUCTION.—Section 222 of the  
9 Internal Revenue Code of 1986 (relating to qualified tui-  
10 tion and related expenses) is amended by striking sub-  
11 section (e).

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to payments made in taxable years  
14 beginning after December 31, 2002.

15 **SEC. 3. EXPANSION OF LIFETIME LEARNING CREDIT.**

16 (a) IN GENERAL.—Section 25A(c)(1) of the Internal  
17 Revenue Code of 1986 (relating to per taxpayer credit)  
18 is amended—

19 (1) by striking “20 percent” and inserting “25  
20 percent”, and

21 (2) by striking “\$10,000 (\$5,000 in the case of  
22 taxable years beginning before January 1, 2003)”  
23 and inserting “\$12,000”.

24 (b) INFLATION ADJUSTMENT.—Section 25A(h) of  
25 the Internal Revenue Code of 1986 (relating to inflation

1 adjustments) is amended by adding at the end the fol-  
 2 lowing new paragraph:

3           “(3) DOLLAR LIMITATION ON AMOUNT OF LIFE-  
 4           TIME LEARNING CREDIT.—

5           “(A) IN GENERAL.—In the case of any  
 6           taxable year beginning after 2003, the dollar  
 7           amount referred to in subsection (c)(1) shall be  
 8           increased by an amount equal to—

9                   “(i) such dollar amount, multiplied by

10                   “(ii) the cost-of-living adjustment de-  
 11                   termined under section (1)(f)(3) for the  
 12                   calendar year in which the taxable year be-  
 13                   gins, by substituting ‘2002’ for ‘1992’.

14           “(B) ROUNDING.—If any amount as ad-  
 15           justed under subparagraph (A) is not a multiple  
 16           of \$100, such amount shall be rounded to the  
 17           next lowest multiple of \$100.”.

18           (c) EFFECTIVE DATE.—The amendments made by  
 19           this section shall apply to payments made in taxable years  
 20           beginning after December 31, 2002.

21           **SEC. 4. INCREASE IN INCOME LIMITS FOR HOPE AND LIFE-**  
 22           **TIME LEARNING CREDITS.**

23           (a) IN GENERAL.—Section 25A(d)(2)(A)(ii) of the  
 24           Internal Revenue Code of 1986 (relating to limitation  
 25           based on modified adjusted gross income) is amended by

1 striking “\$40,000 (\$80,000” and inserting “\$55,000  
2 (\$110,000”.

3 (b) CONFORMING AMENDMENTS.—Section  
4 25A(h)(2)(A) of the Internal Revenue Code of 1986 is  
5 amended—

6 (1) by striking “2001” in the matter preceding  
7 clause (i) and inserting “2003”,

8 (2) by striking “the \$40,000 and \$80,000  
9 amounts” in such matter and inserting “the  
10 \$55,000 and \$110,000 amounts”, and

11 (3) by striking “2000” in clause (ii) and insert-  
12 ing “2002”.

13 (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to payments made in taxable years  
15 beginning after December 31, 2002.

16 **SEC. 5. MAXIMUM PELL GRANT AWARDS.**

17 The Department of Education Appropriations Act,  
18 2002 (Public Law 107–116) is amended under the head-  
19 ing “Student Financial Assistance” by striking “\$4,000”  
20 and inserting “\$4,500”.

21 **SEC. 6. ACADEMIC ACHIEVEMENT SCHOLARSHIPS.**

22 (a) SCHOLARSHIPS.—The Secretary of Education is  
23 authorized to award a scholarship for academic year  
24 2003–2004 and succeeding academic years to each stu-  
25 dent in a State who graduated in the top 5 percent of

1 such student's graduating class from secondary school in  
2 academic year 2002–2003 or a succeeding academic year  
3 to enable such student to pay the cost of attendance at  
4 an institution of higher education.

5 (b) AMOUNT.—Each scholarship awarded under this  
6 section shall be in the amount of \$1,000.

7 (c) USE.—Each student awarded a scholarship under  
8 this section shall use the funds to pay the cost of attend-  
9 ance at an institution of higher education.

10 (d) CONSTRUCTION OF NEEDS PROVISION.—

11 (1) IN GENERAL.—Except as provided in para-  
12 graph (2), nothing in this section, or any other Act,  
13 shall be construed to permit the receipt of a scholar-  
14 ship under this section to be counted for any needs  
15 test in connection with the awarding of any grant or  
16 the making of any loan under the Higher Education  
17 Act of 1965 (20 U.S.C. 1001 et seq.) or any other  
18 provision of Federal law relating to educational as-  
19 sistance.

20 (2) EXCEPTION.—In determining the need of a  
21 student for Federal financial assistance, an institu-  
22 tion of higher education may take into consideration  
23 the amount of scholarship assistance received under  
24 this section if the total amount of scholarship assist-  
25 ance received under this section plus the amount of

1 other financial assistance available to a student ex-  
2 ceeds the student's cost of attendance at the institu-  
3 tion.

4 (e) REGULATIONS.—The Secretary of Education  
5 shall promulgate regulations regarding how scholarships  
6 awarded under this section will be allocated to both public  
7 and private school students.

8 (f) DEFINITIONS.—In this section:

9 (1) COST OF ATTENDANCE.—The term 'cost of  
10 attendance' has the meaning given the term in sec-  
11 tion 472 of the Higher Education Act of 1965 (20  
12 U.S.C. 1087ll).

13 (2) INSTITUTION OF HIGHER EDUCATION.—The  
14 term 'institution of higher education' has the mean-  
15 ing given the term in section 101 of the Higher  
16 Education Act of 1965 (20 U.S.C. 1001).

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