

Crapo-Stabenow Amendment #1 to S. 335

Co-sponsors:

Bennet, Wyden

Short Title:

Veterinary Medicine Loan Repayment Program Enhancement

Description of Amendment:

The amendment would eliminate the 39 percent withholding tax on awards made through the U.S. Department of Agriculture's Veterinary Medicine Loan Repayment Program. The program provides student loan repayment for veterinarians serving in designated shortage areas. By eliminating the tax, more of the program's funds will be available to issue awards for food animal veterinarians to serve in areas where they are needed most (i.e. regions of the country where livestock vastly outnumber available veterinary services).

Coats Amendment #1 to S. 335

Short Title: To provide for a waiver of penalties for higher education institutions that act reasonably to obtain taxpayer identification numbers of students.

Description of Amendment:

Recently, the Internal Revenue Service began assessing penalties on higher education institutions due to failure to provide accurate taxpayer identification numbers (TINs) of students on information returns, even if state laws prohibit colleges and universities from compelling students to provide the TINs. The amendment would provide for a waiver of penalties assessed on higher education institutions due to failure to provide accurate TINs of students on information returns if the higher education institution certifies (under penalty of perjury) that it has complied with Internal Revenue Service standards for requesting TINs from students but that the students failed to provide TINs.

Coats Amendment #2 to S. 335

Short Title: To prevent improper payments of higher education tax benefits.

Description of Amendment:

The amendment would provide that, in order to receive tax benefits for tuition paid under the American Opportunity Tax Credit, Hope Credit, Lifetime Learning Credit, or the tuition deduction, the taxpayer must possess a valid information return from a qualified higher education institution.

AMENDMENT TO S.335

Heller Amendment #1 to S.335

Short Title: To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase of hearing aids

Description of Amendment: Amends the Internal Revenue Code to allow a tax credit of up to \$500 in a taxable year for the purchase of a hearing aid that is authorized under the Federal Food, Drug, and Cosmetic Act for commercial distribution and is intended for use by a taxpayer who is 26 years of age or younger, or a dependent of a taxpayer who is 26 years of age or younger.

Wyden Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Sen. Brown

Short Title: Removing 529 plan balances from the TANF asset test.

Description of Amendment:

This amendment would consider balances in 529 college savings plans to be a resource to the extent that such amount exceeds \$100,000 for the purpose of determining eligibility for an individual or household to receive benefits under the Temporary Assistance for Needy Family program.

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Wyden Amendment #2 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Sens. Schumer, Stabenow, Menendez, Carper, Cardin, Brown, Casey, Warner

Short Title: EXPIRE Act of 2015.

Description of Amendment:

This amendment would extend the provisions and implement the policies contained in the bipartisan EXPIRE Act of 2014 passed out of Committee, through 2016.

No offset provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Wyden Amendment #3 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors:

Short Title: Adding computer equipment to the definition of qualifying higher education expenses.

Description of Amendment:

This amendment would add computers, Internet access, and related equipment and services to the definition of qualifying expenses for the Hope Credit, American Opportunity Tax Credit, Lifetime Learning Credit, deduction for qualifying tuition and fees, and the exclusion for scholarships, grants, and tuition reductions.

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Schumer Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Wyden, Brown, Casey, Cardin, Menendez, Stabenow, Cantwell

Short Title: American Opportunity Tax Credit Permanence and Consolidation Amendment

Description of Amendment:

This amendment would make the American Opportunity Tax Credit permanent; increase the maximum value of the credit to \$3,000; expand the AOTC phase-out window to \$80,000-\$100,000 modified AGI for individuals and \$160,000-\$200,000 for joint returns; make Pell Grants fully excludable from gross income; and increases the refundable portion of the credit to \$1500.

Legislative text for this amendment has been filed with the full Senate as S. 699 (114th Congress).

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Schumer Amendment #2 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Wyden, Menendez, Casey, Bennet, Cantwell

Short Title: Disaster Tax Relief

Description of Amendment:

This amendment would provide tax relief for individuals and businesses impacted by federally declared disasters in 2012, 2013, 2014 and 2015. It would reinstate and extend several disaster-specific provisions enacted in previous years, including, but not limited to: deduction for disaster cleanup expenses, increased limits for charitable giving, expanded casualty loss deduction, relaxed retirement plan distribution rules, increased low-income housing tax credit availability, increased rehabilitation tax credit availability, additional New Markets Tax Credit allocation and disaster-specific bond authority.

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Stabenow Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors:

Short Title: New Skills for New Jobs Act

Description of Amendment:

This amendment would provide a federal match to state workforce training programs like the Michigan New Jobs Training program. These programs, currently in use in five states, bring businesses and colleges together to train new employees with the skills that employers want. The cost of the training is recouped through a diversion of the employees state income tax. The bill provides a federal match to these payments, which will reduce the repayment time and encourage more businesses and workers to utilize the program.

Legislative text for this amendment has been filed with the full Senate as S. 1795 (113th Congress)

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Stabenow Amendment #2 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Bennet, Brown, Wyden, Warner

Short Title: Improving information students and their families receive about federal tax credits for higher education.

Description of Amendment:

This amendment would require the IRS, in consultation with the Department of Education, to develop a system to provide students and their families with an online estimate of their eligibility for federal tax credits for higher education at the same time they receive estimates of their eligibility for other federal student financial aid. This amendment would also require the Treasury to develop recommendations on how institutions of higher education could provide students with information about their estimated eligibility for federal tax credits for higher education at the same time as their financial aid packages.

Offset to be provided if necessary.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Cantwell Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: This amendment may be cited as the “Apprenticeship and Job Training Act of 2015”

Description of Amendment:

Creates a \$5,000 tax credit based on wages paid by companies who hire individuals enrolled in a Federal or State registered apprentice program. The apprentice must be employed for at least 7 months before the credit can be claimed. The tax credit can also be claimed as the apprentice works through the program for a maximum of 3 years. Qualified apprentice programs must follow guidelines set forth under the Department of Labor’s Employment and Training Administration Office of Apprenticeship or a recognized State apprenticeship agency. Requires Treasury to provide rules for applying the credit in cases where, as part of participation in a qualified apprenticeship program, an individual is employed by more than one employer. Allows veterans to apply their previous training and experience to the required training and education hours so their skills are more effectively and more quickly put to use.

Offset: To be provided.

Cantwell Amendment #2 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: Clean Energy Job Creation Amendment

Description of Amendment: This amendment would extend clean energy tax provisions for five years.

Renewable electricity production credit: Extend renewable electricity production credit and the election to claim the investment credit in lieu of the electricity production credit for facilities producing electricity using wind, closed-loop biomass, open-loop biomass, geothermal energy, solar energy, small irrigation power, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy. Provide commence construction language for qualifying projects. (Sections 45 and 48)

Energy investment credit: Extend 30 percent investment credit for solar energy as well as provide commence construction language. Extend investment credits for fuel cells and micro turbines, geothermal heat pump property, small wind property, and combined heat and power property. (Section 48)

Plug-in Electric Motorcycles and Highway Vehicles: Extend the individual income tax credit for two wheeled, highway-capable plug-in motorcycles (Section 30D).

Credit for alternative fuel vehicle refueling property (including hydrogen property): Extend the 30% investment tax credit for alternative vehicle refueling property, up to \$30,000. Eligible refueling property includes fuel pumps for ethanol, biodiesel, liquefied hydrogen, and compressed or liquefied natural gas (Section 30C).

Cellulosic Biofuels Producer Tax Credit: Extend production tax credit for production of cellulosic biofuels.

Cellulosic Biofuels Bonus Depreciation: Extend bonus depreciation for facilities producing cellulosic biofuel to expense 50 percent of their eligible capital costs in the first year. (Section 168(l))

Incentives for biodiesel and renewable diesel: Extend the \$1.00 per gallon tax credit for biodiesel, the small agri-biodiesel producer credit of 10 cents per gallon, and the \$1.00 per gallon tax credit for diesel fuel from biomass (Section 40A)

Credit for construction of new energy efficient homes: Extend the credit for the construction of energy-efficient new homes that achieve a 30% or 50% reduction in heating and cooling energy consumption relative to a comparable dwelling constructed within the standards of the 2003 International Energy Conservation Code. (Section 45L)

Incentives for alternative fuel and alternative fuel mixtures (including liquefied hydrogen): Extend the \$0.50 per gallon alternative fuel tax credit and alternative fuel mixture tax credit.

This credit can be claimed as a nonrefundable excise tax credit or a refundable income tax credit for the blending and sale of alternative fuel mixtures including compressed or liquefied natural gas, ethanol, biofuels, and liquefied hydrogen. (Sections 6426 and 6427)

Credit for fuel cell motor vehicles: Extend the credit for new fuel cell motor vehicles. For vehicles fueled by combining hydrogen with oxygen to create electricity, taxpayers can claim a base credit \$4,000 credit for cars and light trucks. Taxpayers can claim up to \$40,000 for heavier vehicles, depending on their weight. (Section 30B)

Credit for nonbusiness energy property: Extend credit for the purchase of qualified energy efficiency improvements to existing homes (Section 25C)

Energy efficient commercial buildings deduction: Extend deduction for energy-efficient commercial building property expenditures (Section 179D)

Residential energy efficient property: Extend credit for residential energy efficient property (Section 25D)

Offset: To be provided.

Cantwell Amendment #3 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsor: Sen. Roberts.

Short Title: To make permanent the minimum low-income housing tax credit rate for unsubsidized buildings and to provide a minimum 4 percent credit rate for existing buildings.

Description of Amendment: At the end of the bill, insert a new section containing the text of S.1442 as introduced in the 113th Congress.

Offset: To be provided.

Cantwell Amendment #4 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: Amendment Requiring the Secretary of Treasury to Report on 529 Plans

Description of Amendment:

To require the Secretary of Treasury to make available, for research purposes, public reports containing aggregate information by account and other relevant characteristics, on contributions and distributions from qualified tuition programs. In carrying out this program, the Secretary shall not make publically available any item that can be used to identify a particular individual.

Offset: No cost.

Menendez Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans

Cosponsors: Schumer, Brown, Stabenow, Warner

Short Title: Student Loan Tax Relief Act

Description of the Amendment: “To provide an exclusion from income for student loan forgiveness for students in certain income-based or income-contingent repayment programs who have completed payment obligations, students whose loans are discharged due to death or disability, and students who receive loan forgiveness or repayment through other federal programs.”

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Cardin Amendment #1 to S. 335, a Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified

Cosponsors: Enzi, Carper

Short Title: The Collegiate Housing and Infrastructure Act of 2015

Description of amendment: This amendment is identical to the text of S. 1002, the Collegiate Housing and Infrastructure Act of 2015.

Background:

Under current law, fraternal or sorority foundations classified as 501(c)(3)s are not eligible to use tax-exempt donations for the acquisition, improvement or maintenance of a fraternity/sorority chapter house, while colleges and universities are able to use tax-exempt funds for the same purpose of making collegiate housing and infrastructure.

This disparity in the tax code has limited the ability of fraternities and sororities to rehabilitate their older housing buildings, which may be in excess of 100 years old, or install necessary safety items such as sprinkler systems, which can cost upwards of \$400,000 for older housing units.

This amendment allows 501(c)(3) fraternity or sorority foundations to utilize tax-deductible donations to make collegiate housing and infrastructure grants to improve, operate, or maintain collegiate housing property. It limits the use of funds to properties which substantially all of the residents are full-time students at the college or university where the fraternity or sorority is located. It also prevents the use of funds to build physical fitness facilities.

Offset: To be provided.

[Note: Amendment sponsor(s) reserve the right to modify this amendment for technical, revenue-related (if applicable), or other purposes.]

Bennet Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to promote higher education savings

Description of Amendment: This amendment creates a new tax credit for contributions to 529 accounts. It would provide a 50 percent credit for contributions up to \$1,000. Up to \$300 of the credit would be refundable. The credit would phase out between \$54,000-\$64,000 for individual filers and \$108,000-\$128,000 for joint filers. This is the same phase out as the Lifetime Learning Credit.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #2 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to increase college affordability.

Description of Amendment: This amendment would make permanent and increase the maximum value of the American Opportunity Tax Credit to \$3,000; it would provide a 100 percent tax credit for the first \$2,000 of certain qualified higher education expenses and a 40 percent credit for the next \$2,500 of such expenses. It would increase the refundability, with up to \$1,800 of the credit being refundable. It would also eliminate the Hope Credit.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #3 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to improve AOTC and Pell Grant Coordination

Description of Amendment: This amendment would deem Pell Grants to be applied first against expenses not covered by the American Opportunity Tax Credit (AOTC); it would also exclude the Pell Grant from gross income.

Currently, if a student uses Pell grants to pay tuition, this can reduce the size of the AOTC credit. However, if a student allocates his or her Pell grant to pay for room and board first and claims the AOTC for tuition expenses, the student must include the amount of Pell spent on room and board as taxable income. This amendment fixes this issue and allows Pell grant recipients to benefit fully from the AOTC.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #4 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to support the AmeriCorps Member Education Attainment

Description of Amendment: This amendment would exclude Segal AmeriCorps Education Awards from taxation. Currently, Segal AmeriCorps Education Awards are subject to federal tax in the year in which each payment is made.

AmeriCorps members who serve a full-time term of national service are eligible to receive a Segal AmeriCorps Education Award. The education award may be used to pay educational costs at eligible post-secondary educational institutions, as well as to repay qualified student loans. The dollar amount of a full-time award is tied to the maximum amount of the U.S. Department of Education's Pell Grant.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #5 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to ensure that IRA distributions have parity with 529 distributions

Description of Amendment: This amendment would exclude withdrawals from IRAs used to pay for qualified educational expenses for the owner or dependent of the owner of the IRA from consideration as income for the purposes of determining federal financial aid in future years.

Currently, early withdrawals from an IRA are not subject to a penalty if distributions are used to finance qualified educational expenses that are the same as those for Section 529 plans. However, withdrawals from an IRA are counted as income for the purposes of determining federal financial aid eligibility in the year following the withdrawal. In contrast, distributions from 529 plans owned by parents or the student are not counted as income in the calculation for federal financial aid in future years if they are used for qualified education expenses. This amendment creates parity among withdrawals from savings accounts and ensures a student's Pell grant is not reduced because of a withdrawal from an IRA used to help pay for college.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #6 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to unify the definition of qualified expenses.

Description of Amendment: This amendment would define “qualified expenses” for the purposes of calculating the American Opportunity Tax Credit (AOTC) as the definition used in Section 529. The AOTC would no longer have its own definition.

Currently, the definition of qualified expenses for the purposes of the AOTC is more narrow than that in Section 529s. This amendment would create a single definition for both in Section 529. This would simplify the tax code and make it easier for families to navigate the complexity of higher education tax benefits.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #7 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to improve Employer Provide Assistance

Description of Amendment: This amendment would increase the exclusion for employer-provided education assistance from \$5,250 to \$7,500 for employees who have not yet obtained a bachelor's degree.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #8 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: An amendment to improve 1098-T reporting.

Description of Amendment: This amendment would require institutions of higher education to report amounts paid on 1098-T form.

Institutions of higher education file a 1098-T form each year for each enrolled student. Institutions have the choice of reporting payments received for tuition and related expenses or amounts billed for such expenses. Many institutions choose to report amounts billed. However, only amounts paid for qualifying expenses are eligible for the AOTC or other tax credit in that tax year. Thus, the 1098-T may not provide all the information that taxpayers need to claim an education tax credit or the information needed by the IRS to verify educational expenses.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Bennet Amendment #9 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors: Sen. Brown, Sen. Wyden

Short Title: Fully excluding Pell Grants from Gross Income.

Description of Amendment:

This amendment would fully exclude all Pell Grants from gross income for federal tax purposes and would require eligible education institutions to apply federal tax credits for higher education to qualifying tuition, fees, and other expenses before applying Pell Grants.

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Bennet Amendment #10 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Short Title: Student Loan Interest Credit

Description of Amendment: This amendment would turn the current student loan interest deduction into a refundable credit. This new credit would provide a 25 percent tax credit for up to \$2,500 in student loan interest. Up to \$375 would be refundable. The phase outs would remain the same, phasing out between \$65,000 and \$80,000 for single filers and \$130,000 and \$160,000 for joint filers.

The value of the credit under this amendment is up to \$625. Currently, those in the 25 percent tax bracket can take a deduction up to \$2,500, the value of which is \$625. However, those in the 10 or 15 percent bracket receive a maximum benefit of \$250 or \$375. This would allow eligible borrowers with student loans to benefit from the same value credit of up to \$625.

Offset: To be determined

[NOTE – Amendment sponsor reserves the right to modify the amendment for technical, revenue-neutrality, or other purposes.]

Warner Amendment #1 to S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors:

Short Title: Employer Participation in Refinancing Amendment

Description of Amendment:

This amendment amends the Internal Revenue Code to allow an exclusion from gross income for the payment of an employer, either to an employee or a lender, of any indebtedness of an employee under a qualified education refinance loan or any interest relating to such a loan. It defines "qualified education refinance loan" as any indebtedness used solely to refinance a qualified education loan with respect to which the lender offers the borrower protection in the event of unemployment or financial hardship.

Legislative text for this amendment has been filed with the full Senate as S. 2429 (113th Congress).

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]

Warner Amendment #2 S. 335, A Bill to Amend the Internal Revenue Code of 1986 to Improve 529 Plans, as Modified.

Cosponsors:

Short Title: Dynamic Student Loan Repayment Amendment

Description of Amendment:

This amendment would combine several federal student loan options into a single loan repaid through a simplified income-based calculation; cap a borrower's obligation at 10% of his her income above the \$10,000 exemption amount; tier loan forgiveness such that borrowers with loan balances up to \$57,500 prior to repayment pay 20 years before loan forgiveness and borrowers with loan balances above \$57,500 prior to repayment pay 30 years before loan forgiveness; and remove the taxability of loan forgiveness for all students. It amends section 108 of the Internal Revenue Code to also exclude from gross income discharges from student loan indebtedness under section 437(a) or part D of title IV of the Higher Education Act of 1965.

Legislative text for this amendment has been filed with the full Senate as S. 2612 (113th Congress).

Offset to be provided.

[NOTE – Amendment sponsors reserve the right to modify the amendment for technical or other purposes.]