

AMENDMENT TO RULES COMM. PRINT 115–39
OFFERED BY MR. BEN RAY LUJÁN OF NEW
MEXICO

At the end, add the following:

1 **TITLE VI—SAVE FOR SUCCESS**
2 **ACT**

3 **SEC. 6001. REPEAL OF PROPOSED POLICY CHANGES.**

4 (a) IN GENERAL.—Section 1201 of this Act is re-
5 pealed and shall have no force or effect.

6 (b) CONFORMING AMENDMENT.—Subsection (b) of
7 section 1103 of this Act is repealed and shall have no force
8 or effect.

9 **SEC. 6002. AMERICAN OPPORTUNITY TAX CREDIT SAVINGS**
10 **CREDIT.**

11 (a) IN GENERAL.—Section 25A is amended by redес-
12 ignating subsection (j) as subsection (k) and by inserting
13 after subsection (i) the following:

14 “(j) SPECIAL RULES RELATING TO AOTC SAVINGS
15 CREDIT.—

16 “(1) IN GENERAL.—For purposes of this sec-
17 tion, the term ‘qualified tuition and related expenses’
18 with respect to any individual includes eligible col-
19 lege savings contributions for such individual. Such

1 contributions shall be taken into account for pur-
2 poses of subsection (i)(1)(A) before tuition and fees.

3 “(2) LIMITATION.—

4 “(A) IN GENERAL.—The aggregate
5 amount of contributions with respect to an indi-
6 vidual which may be taken into account under
7 paragraph (1) for a taxable year is \$250.

8 “(B) PHASE OUT.—The dollar amount in
9 subparagraph (A) shall be reduced (but not
10 below zero) by the amount which bears the
11 same ratio to such dollar amount as—

12 “(i) the number of percentage points
13 (if any) in excess of 133 percent that the
14 taxpayer’s household income for the tax-
15 able year is of the poverty line for a family
16 of the size involved, bears to

17 “(ii) 400 percentage points.

18 “(3) TERMS RELATING TO INCOME AND FAMI-
19 LIES.—The terms ‘family size’, ‘household income’,
20 and ‘poverty line’ shall have the meanings given
21 such terms by section 36B(d).

22 “(4) ELIGIBLE HIGHER EDUCATION CONTRIBU-
23 TION.—For purposes of paragraph (1), the term ‘eli-
24 gible college savings contribution’ with respect to an
25 individual means the excess of—

1 “(A) contributions by the taxpayer in the
2 taxable year to qualified college savings ac-
3 counts of which the individual is the bene-
4 ficiary, over

5 “(B) distributions from all such qualified
6 college savings accounts for the taxable year.

7 “(5) QUALIFIED COLLEGE SAVINGS AC-
8 COUNTS.—The term ‘qualified college savings ac-
9 count’ with respect to which such individual is the
10 beneficiary means—

11 “(A) an account under a qualified tuition
12 program (as defined by section 529), and

13 “(B) an account under a program of a
14 State (or political jurisdiction thereof) estab-
15 lished exclusively for the purpose of paying for
16 college tuition and other post-secondary edu-
17 cational expenses.

18 “(6) PORTION OF CREDIT MADE REFUND-
19 ABLE.—So much of the credit allowed under sub-
20 section (a) as is attributable to this subsection (de-
21 termined after the application of subsection (i) and
22 without regard to this subsection and section 26(a))
23 shall be treated as a credit allowable under subpart
24 C (and not allowed under subsection (a)). The pre-
25 ceding sentence shall not apply to any taxpayer for

1 any taxable year if such taxpayer is a child to whom
2 subsection (g) of section 1 applies for such taxable
3 year.”.

4 (b) AOTC LIFETIME LIMITATION.—Section
5 25A(i)(2) is amended to read as follows:

6 “(2) LIMITATION.—In lieu of subparagraphs
7 (A) and (C) of subsection (b)(2), the amount allowed
8 as a credit under this section for the taxable year
9 with respect to an individual shall not exceed—

10 “(A) \$10,000, reduced

11 “(B) by the amount allowed under this
12 section with respect to such individual for all
13 prior taxable years.”.

14 (c) PILOT PROGRAM TO MAKE PERIODIC PAYMENTS
15 AS COLLEGE EXPENSES INCURRED.—Section 25A(i) is
16 amended by adding at the end the following:

17 “(8) PILOT PROGRAM TO MAKE PERIODIC PAY-
18 MENTS AS COLLEGE EXPENSES INCURRED.—

19 “(A) IN GENERAL.—The Secretary of the
20 Treasury and the Secretary of Education shall
21 jointly establish a program designed to make
22 payments periodically to or on behalf of an eli-
23 gible student as the student incurs qualified ex-
24 penses during the taxable year. The total
25 amount that may be so paid to or on behalf of

1 an eligible student through this program shall
2 not exceed the credit which would (but for sub-
3 paragraph (B)) be allowable under this section
4 if subsection (d) were applied by using the tax-
5 payer's modified adjusted gross income for the
6 preceding taxable year.

7 “(B) CREDIT REDUCED BY PILOT PRO-
8 GRAM PAYMENTS.—The credit allowable under
9 this section (without regard to this subpara-
10 graph) for any taxable year shall be reduced
11 (but not below zero) by the payments made
12 with respect to a student under subparagraph
13 (A) for expenses which would otherwise be
14 taken into account in determining the credit
15 under this section for such year.

16 “(C) PROGRAM PARTICIPATION.—Partici-
17 pation in the program established under this
18 paragraph shall be voluntary with respect to
19 both students and educational institutions; ex-
20 cept that, institutions which are taxable under
21 this chapter (other than by reason of section
22 511) may not participate in such program.

23 “(D) PROGRAM PERIOD.—The program es-
24 tablished under this paragraph shall apply to
25 expenses for academic periods beginning during

1 the 5-year period which begins on the date
2 which is 1 year after the date of the enactment
3 of this paragraph.

4 “(E) PAYMENTS NOT TREATED AS RE-
5 SOURCES FOR FINANCIAL AID.—Payments
6 made under this paragraph shall not be treated
7 as resources for purposes of determining the
8 amount of any financial aid which is funded in
9 whole or part with Federal funds. Payments
10 under the program shall not be made in a man-
11 ner that would reduce the State, private, or in-
12 stitutional aid available to an eligible student.

13 “(F) NOTICE OF PROGRAM.—Educational
14 institutions participating in the program estab-
15 lished under this paragraph shall provide appro-
16 priate notices to parents and students of the
17 option of payments under such program. Such
18 notices shall not be considered tax advice for
19 purposes of any Federal law or regulation.

20 “(G) REPORTING.—The Secretary of the
21 Treasury and the Secretary of Education shall
22 jointly submit annual reports to Congress on
23 the program established under this subsection,
24 together with any recommendations with re-
25 spect to such program.”.

1 (d) CONFORMING AMENDMENT.—Section
2 6211(b)(4)(A) is amended by inserting “or (j)(6)” after
3 “subsection (i)(6)”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2016.

7 (f) INCREASED PUBLIC AWARENESS OF AMERICAN
8 OPPORTUNITY TAX CREDIT.—

9 (1) IN GENERAL.—The Secretary of the Treas-
10 ury, or the Secretary’s delegate, in consultation with
11 the Secretary of Education, shall establish a tax-
12 payer awareness program to inform the taxpaying
13 public of the availability of the American Oppor-
14 tunity Tax Credit allowed under section 25A of the
15 Internal Revenue Code of 1986. Such public aware-
16 ness program shall be designed to assure that indi-
17 viduals who may be eligible are informed of the
18 availability of such credit and filing procedures.

19 (2) MEANS OF COMMUNICATIONS.—

20 (A) IN GENERAL.—The Secretary of the
21 Treasury, or the Secretary’s delegate, in con-
22 sultation with the Secretary of Education, shall
23 use appropriate means of communication to
24 carry out the provisions of this section. The
25 taxpayer awareness program shall include, but

1 not be limited to, prominent displays of infor-
2 mation about the availability of the American
3 Opportunity Tax Credit on information return
4 forms specified by such Secretary for use by
5 educational institutions to report qualified tui-
6 tion and related expenses incurred.

7 (B) ADDITIONAL STEPS.—In addition, the
8 Secretary of the Treasury, or the Secretary’s
9 delegate, in consultation with the Secretary of
10 Education, should—

11 (i) make students aware of the Amer-
12 ican Opportunity Tax Credit through the
13 data retrieval tool and the student aid re-
14 port of the Department of Education;

15 (ii) include information on the finan-
16 cial aid shopping sheet;

17 (iii) include the American Opportunity
18 Tax Credit in the volunteer income tax as-
19 sistance program; and

20 (iv) bring awareness of the American
21 Opportunity Tax Credit in the Federal
22 TRIO Programs (commonly known as
23 “TRIO”) under chapter 1 of subpart 2 of
24 part A of title IV of the Higher Education
25 Act of 1965 (20 U.S.C. 1070a–11 et seq.)

1 and in the Gaining Early Awareness and
2 Readiness for Undergraduate Programs
3 (commonly known as “GEAR UP”) under
4 chapter 2 of subpart 2 of part A of title
5 IV of such Act (20 U.S.C. 1070a–21 et
6 seq.).

7 **SEC. 6003. CORPORATE RATE INCREASE TO ACHIEVE REV-**
8 **ENUE NEUTRALITY.**

9 (a) IN GENERAL.—The rate of tax specified in sec-
10 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
11 the amendment made by section 3001(a)) shall be in-
12 creased by such number of percentage points as is nec-
13 essary to fully offset the aggregate reduction in Federal
14 revenues which result from the repeals and amendments
15 made by sections 6001 and 6002.

16 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
17 if such provision were an amendment made by section
18 3001(a).

