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 ACT

2 SEC. 6001. REPEAL OF PROPOSED POLICY CHANGES.

3 (a) In General.—Section 1201 of this Act is re-
4 pealed and shall have no force or effect.

5 (b) Conforming Amendment.—Subsection (b) of
6 section 1103 of this Act is repealed and shall have no force
7 or effect.

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

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

14 “(j) Special Rules Relating to AOTC Savings Credit.—
15 “(1) In General.—For purposes of this sec-
16 tion, the term ‘qualified tuition and related expenses’
17 with respect to any individual includes eligible col-
18 lege savings contributions for such individual. Such
contributions shall be taken into account for purposes of subsection (i)(1)(A) before tuition and fees.

“(2) LIMITATION.—

“(A) IN GENERAL.—The aggregate amount of contributions with respect to an individual which may be taken into account under paragraph (1) for a taxable year is $250.

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

“(i) the number of percentage points (if any) in excess of 133 percent that the taxpayer’s household income for the taxable year is of the poverty line for a family of the size involved, bears to

“(ii) 400 percentage points.

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

“(4) ELIGIBLE HIGHER EDUCATION CONTRIBUITION.—For purposes of paragraph (1), the term ‘eligible college savings contribution’ with respect to an individual means the excess of—
“(A) contributions by the taxpayer in the taxable year to qualified college savings accounts of which the individual is the beneficiary, over

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

“(5) QUALIFIED COLLEGE SAVINGS ACCOUNTS.—The term ‘qualified college savings account’ with respect to which such individual is the beneficiary means—

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

“(B) an account under a program of a State (or political jurisdiction thereof) established exclusively for the purpose of paying for college tuition and other post-secondary educational expenses.

“(6) PORTION OF CREDIT MADE REFUNDABLE.—So much of the credit allowed under subsection (a) as is attributable to this subsection (determined after the application of subsection (i) and without regard to this subsection and section 26(a)) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)). The preceding sentence shall not apply to any taxpayer for
any taxable year if such taxpayer is a child to whom subsection (g) of section 1 applies for such taxable year.”.

(b) AOTC Lifetime Limitation.—Section 25A(i)(2) is amended to read as follows:

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

“(A) $10,000, reduced

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

(c) Pilot Program To Make Periodic Payments As College Expenses Incurred.—Section 25A(i) is amended by adding at the end the following:

“(8) Pilot program to make periodic payments as college expenses incurred.—

“(A) In general.—The Secretary of the Treasury and the Secretary of Education shall jointly establish a program designed to make payments periodically to or on behalf of an eligible student as the student incurs qualified expenses during the taxable year. The total amount that may be so paid to or on behalf of
an eligible student through this program shall not exceed the credit which would (but for sub-
paragraph (B)) be allowable under this section if subsection (d) were applied by using the tax-
payer’s modified adjusted gross income for the preceding taxable year.

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

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

“(D) Program period.—The program es-

tablished under this paragraph shall apply to expenses for academic periods beginning during
the 5-year period which begins on the date
which is 1 year after the date of the enactment
of this paragraph.

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

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

“(G) REPORTING.—The Secretary of the
Treasury and the Secretary of Education shall
jointly submit annual reports to Congress on
the program established under this subsection,
together with any recommendations with re-
spect to such program.”.
(d) Conforming Amendment.—Section 6211(b)(4)(A) is amended by inserting “or (j)(6)” after “subsection (i)(6)”.

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

(f) Increased Public Awareness of American Opportunity Tax Credit.—

(1) In general.—The Secretary of the Treasury, or the Secretary’s delegate, in consultation with the Secretary of Education, shall establish a taxpayer awareness program to inform the taxpaying public of the availability of the American Opportunity Tax Credit allowed under section 25A of the Internal Revenue Code of 1986. Such public awareness program shall be designed to assure that individuals who may be eligible are informed of the availability of such credit and filing procedures.

(2) Means of communications.—

(A) In general.—The Secretary of the Treasury, or the Secretary’s delegate, in consultation with the Secretary of Education, shall use appropriate means of communication to carry out the provisions of this section. The taxpayer awareness program shall include, but
not be limited to, prominent displays of information about the availability of the American Opportunity Tax Credit on information return forms specified by such Secretary for use by educational institutions to report qualified tuition and related expenses incurred.

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

(i) make students aware of the American Opportunity Tax Credit through the data retrieval tool and the student aid report of the Department of Education;

(ii) include information on the financial aid shopping sheet;

(iii) include the American Opportunity Tax Credit in the volunteer income tax assistance program; and

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

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

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

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