AMENDMENT TO
RULES COMMITTEE PRINT 115-39
OFFERED BY MR. DESAULNIER OF CALIFORNIA

Page 447, after line 3, add the following new title:

Title VI—Exclusion of Federal Pell Grants from Gross Income

Sec. 6001. Exclusion of Federal Pell Grants from Gross Income.

(a) In General.—Section 117 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(e) Federal Pell Grants.—Gross income does not include any amount received as a Federal Pell Grant awarded under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a)."

(b) Effective Date.—The amendment made by this section shall apply to amounts received in taxable years beginning after December 31, 2016.

Sec. 6002. Corporate Rate Increase to Achieve Revenue Neutrality.

(a) In General.—The rate of tax specified in section 11(b)(1) of the Internal Revenue Code of 1986 (after
the amendment made by section 3001(a) of this Act) shall be increased by such number of percentage points as is necessary to fully offset the aggregate reduction in Federal revenues which result from the amendments and repeals made by section 6001 of this Act.

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