AMENDMENT TO RULES COMM. PRINT 115–39
OFFERED BY MR. MESSER OF INDIANA

At the end, add the following:

TITLE VI—FAIR TREATMENT OF
SCHOLARSHIPS AND PELL
GRANTS ACT OF 2017

SEC. 6001. EXCLUSION OF ROOM AND BOARD COSTS AND
CERTAIN RESEARCH EXPENSES FROM GROSS
INCOME.

(a) IN GENERAL.—Section 117(b)(1) is amended by
striking “used for qualified tuition and related expenses.”
and inserting the following: “used—

“(A) for qualified tuition and related ex-
penses, or

“(B) for room and board costs.”.

(b) CLARIFICATION WITH RESPECT TO RESEARCH
EXPENSES.—Section 117(b)(2)(B) is amended by insert-
ing “or for research at such an educational organization”
before the period at the end.

(c) DEFINITIONS.—Section 117(b) is amended by
adding at the end the following new paragraph:

“(3) ROOM AND BOARD COSTS.—For purposes
of paragraph (1), the term ‘room and board costs’
means room and board costs for which there is an
allowance under section 472(3) of the Higher Edu-
cation Act of 1965.”.

(d) LIMITATION.—

(1) IN GENERAL.—Section 117(c) is amended
by adding at the end the following new paragraph:

“(3) EXPENSES FOR RESEARCH.—

“(A) IN GENERAL.—The amount included
in qualified tuition and related expenses under
subsection (b)(2)(B) for a taxable year for re-
search not required for a course of instruction
shall not exceed $300.

“(B) INFLATION ADJUSTMENT.—In the
case of any taxable year beginning after 2017,
the $300 amount in subparagraph (A) shall be
increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment de-
determined under section 1(f)(3) for the cal-
endar year in which the taxable year be-
gins, determined by substituting ‘calendar
year 2016’ for ‘calendar year 1992’ in sub-
paragraph (B) of such section.

“(C) ROUNDING.—If any increase deter-
mined under subparagraph (B) is not a mul-

multiple of $5, such increase shall be rounded to the nearest multiple of $5.”.

(2) Conforming Amendments.—Section 117(e) is further amended—

(A) in the heading, by striking “LIMITATION” and inserting “LIMITATIONS”, and

(B) in the heading of paragraph (1), by striking “IN GENERAL” and inserting “PAYMENT FOR TEACHING, RESEARCH, AND OTHER SERVICES”.

(e) Effective Date.—The amendments made by this section apply with respect to amounts received in taxable years beginning after December 31, 2016.