

112TH CONGRESS  
1ST SESSION

# H. R. 2624

To amend the Internal Revenue Code of 1986 to allow a credit against tax for qualified tuition and related expenses.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2011

Mr. BOSWELL introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against tax for qualified tuition and related expenses.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Universal College  
5 Credit Act”.

6 **SEC. 2. UNIVERSAL COLLEGE CREDIT.**

7 (a) IN GENERAL.—Subpart A of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by inserting after section 25D the fol-  
10 lowing new section:

1 **“SEC. 25E. UNIVERSAL COLLEGE CREDIT.**

2       “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
3 dividual for whom an election is in effect under this sec-  
4 tion for a taxable year, there shall be allowed as a credit  
5 against the tax imposed by this chapter for the taxable  
6 year an amount equal to the qualified tuition and related  
7 expenses paid by the taxpayer during the taxable year.

8       “(b) DOLLAR LIMITATION.—The amount allowed as  
9 a credit under subsection (a) with respect to each indi-  
10 vidual for whom qualified tuition and related expenses are  
11 paid by the taxpayer during the taxable year shall not ex-  
12 ceed \$5,000.

13       “(c) CREDIT ALLOWED ONLY FOR 4 YEARS OF UN-  
14 DERGRADUATE EDUCATION AND 6 YEARS OF GRADUATE  
15 EDUCATION.—An election to have this section apply with  
16 respect to any individual for whom qualified tuition and  
17 related expenses are paid by the taxpayer during the tax-  
18 able year may not be made for any taxable year if such  
19 an election (by the taxpayer or any other individual) is  
20 in effect with respect to—

21               “(1) the undergraduate education expenses of  
22               such individual for any 4 prior taxable years, or

23               “(2) the graduate education expenses of such  
24               individual for any 6 prior taxable years.

25       “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall  
26 be allowed under this section with respect to the qualified

1 tuition and related expenses of any individual if a credit  
2 or deduction is allowed under any other provision of this  
3 chapter with respect to such expenses.

4 “(e) DEFINITIONS AND SPECIAL RULES.—For pur-  
5 poses of this section—

6 “(1) QUALIFIED TUITION AND RELATED EX-  
7 PENSES.—

8 “(A) IN GENERAL.—The term ‘qualified  
9 tuition and related expenses’ means tuition and  
10 fees required for the enrollment or attendance  
11 of—

12 “(i) the taxpayer,

13 “(ii) the taxpayer’s spouse, or

14 “(iii) any dependent of the taxpayer

15 with respect to whom the taxpayer is al-

16 lowed a deduction under section 151,

17 at an eligible educational institution for courses

18 of instruction of such individual at such institu-

19 tion.

20 “(B) EXCEPTION FOR EDUCATION INVOLV-

21 ING SPORTS, ETC.—Such term does not include

22 expenses with respect to any course or other

23 education involving sports, games, or hobbies,

24 unless such course or other education is part of

25 the individual’s degree program.

1           “(C) EXCEPTION FOR NONACADEMIC  
2 FEES.—Such term does not include student ac-  
3 tivity fees, athletic fees, insurance expenses, or  
4 other expenses unrelated to an individual’s aca-  
5 demic course of instruction.

6           “(D) ADJUSTMENT FOR SCHOLARSHIPS  
7 AND SECTION 529 DISTRIBUTIONS.—The  
8 amount of qualified tuition and related expenses  
9 otherwise taken into account under subsection  
10 (a) with respect to an individual for the taxable  
11 year shall be reduced—

12                   “(i) as provided in section 25A(g)(2),  
13 and

14                   “(ii) by the amount of such expenses  
15 which are taken into account in deter-  
16 mining the exclusions under sections  
17 529(e)(3)(B) and 530(d)(2).

18           “(2) ELIGIBLE EDUCATIONAL INSTITUTION.—  
19 The term ‘eligible educational institution’ means an  
20 institution—

21                   “(A) which is described in section 102 of  
22 the Higher Education Act of 1965 (20 U.S.C.  
23 1001, 1002), as in effect on the date of the en-  
24 actment of this section, and

1           “(B) which is eligible to participate in a  
2           program under title IV of such Act.

3           “(3) UNDERGRADUATE EDUCATION EX-  
4           PENSES.—The term ‘undergraduate education ex-  
5           penses’ means the qualified tuition and related ex-  
6           penses paid by the taxpayer during a taxable year  
7           for an individual enrolled in an undergraduate  
8           course of study during such taxable year.

9           “(4) GRADUATE EDUCATION EXPENSES.—The  
10          term ‘graduate education expenses’ means the quali-  
11          fied tuition and related expenses paid by the tax-  
12          payer during a taxable year for an individual en-  
13          rolled in a graduate or professional course of study  
14          during such taxable year.

15          “(5) ADJUSTMENT FOR CERTAIN SCHOLAR-  
16          SHIPS, ETC.—The amount of qualified tuition and  
17          related expenses otherwise taken into account under  
18          subsection (a) with respect to an individual for an  
19          academic period shall be reduced by the sum of any  
20          amounts paid for the benefit of such individual  
21          which are allocable to such period as—

22                 “(A) a qualified scholarship which is ex-  
23                 cludable from gross income under section 117,

24                 “(B) an educational assistance allowance  
25                 under chapter 30, 31, 32, 34, or 35 of title 38,

1 United States Code, or under chapter 1606 of  
2 title 10, United States Code, and

3 “(C) a payment (other than a gift, be-  
4 quest, devise, or inheritance within the meaning  
5 of section 102(a)) for such individual’s edu-  
6 cational expenses, or attributable to such indi-  
7 vidual’s enrollment at an eligible educational in-  
8 stitution, which is excludable from gross income  
9 under any law of the United States.

10 “(f) ELECTION NOT TO HAVE SECTION APPLY.—A  
11 taxpayer may elect to have this section not apply with re-  
12 spect to an individual for any taxable year.”.

13 (b) COORDINATION WITH EXCLUSION FOR INCOME  
14 FROM UNITED STATES SAVINGS BONDS USED TO PAY  
15 HIGHER EDUCATION TUITION AND FEES.—Subpara-  
16 graph (A) of section 135(d)(2) of such Code is amended  
17 by inserting “or 25E” after “section 25A”.

18 (c) CLERICAL AMENDMENT.—The table of sections  
19 for subpart A of part IV of subchapter A of chapter 1  
20 of such Code is amended by inserting after the item relat-  
21 ing to section 25D the following new item:

“Sec. 25E. Universal college credit.”.

22 (d) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years ending after the  
24 date of the enactment of this Act.