107TH CONGRESS 1ST SESSION

H. R. 2219

To amend the Internal Revenue Code of 1986 to allow the Hope Scholarship Credit to cover fees, books, supplies, and equipment and to exempt Federal Pell Grants and Federal supplemental educational opportunity grants from reducing expenses taken into account for the Hope Scholarship Credit.

IN THE HOUSE OF REPRESENTATIVES

June 19, 2001

Mr. Camp (for himself, Mr. McGovern, Mr. Ramstad, Mr. Lewis of Georgia, Mr. Foley, Mrs. Thurman, Mr. Matsui, Mr. Rogers of Michigan, and Mr. Bartlett of Maryland) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the Hope Scholarship Credit to cover fees, books, supplies, and equipment and to exempt Federal Pell Grants and Federal supplemental educational opportunity grants from reducing expenses taken into account for the Hope Scholarship Credit.

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

1	SECTION 1. EXPANSION OF EDUCATIONAL EXPENSES AL-
2	LOWED AS PART OF HOPE SCHOLARSHIP
3	CREDIT.
4	(a) Qualified Tuition and Related Expenses
5	EXPANDED TO INCLUDE BOOKS, SUPPLIES, AND EQUIP-
6	MENT.—Paragraph (1) of section 25A(f) of the Internal
7	Revenue Code of 1986 (defining qualified tuition and re-
8	lated expenses) is amended by adding at the end the fol-
9	lowing new subparagraph:
10	"(D) Additional expenses allowed
11	FOR HOPE SCHOLARSHIP CREDIT.—For pur-
12	poses of the Hope Scholarship Credit, such
13	term shall include fees, books, supplies, and
14	equipment required for courses of instruction at
15	the eligible educational institution.".
16	(b) Hope Scholarship Credit Not Reduced by
17	FEDERAL PELL GRANTS AND SUPPLEMENTAL EDU-
18	CATIONAL OPPORTUNITY GRANTS.—Subsection (g) of sec-
19	tion 25A of such Code (relating to special rules) is amend-
20	ed by adding at the end the following new paragraph:
21	"(8) Pell and seog grants.—For purposes
22	of the Hope Scholarship Credit, paragraph (2) shall
23	not apply to amounts paid for an individual as a
24	Federal Pell Grant or a Federal supplemental edu-
25	cational opportunity grant under subparts 1 and 3,
26	respectively, of part A of title IV of the Higher Edu-

- 1 cation Act of 1965 (20 U.S.C. 1070a and 1070b et
- 2 seq., respectively).".
- 3 (c) Expanded Hope Expenses Not Subject to
- 4 Information Reporting Requirements.—Subsection
- 5 (e) of section 6050S of such Code (relating to definitions)
- 6 is amended by striking "subsection (g)(2)" and inserting
- 7 "subsections (f)(1)(D) and (g)(2)".
- 8 (d) Effective Date.—The amendments made by
- 9 this section shall apply to expenses paid after December
- 10 31, 2000 (in tax years ending after such date), for edu-
- 11 cation furnished in academic periods beginning after such
- 12 date.

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