

ESTIMATED REVENUE EFFECTS OF A MODIFIED CHAIRMAN'S MARK OF
 THE "AFFORDABLE EDUCATION ACT OF 2001"
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON MARCH 13, 2001

Fiscal Years 2002 - 2011

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
1. Education IRAs - increase the annual contribution limit to \$2,000; allow education IRA contributions for special needs beneficiaries above the age of 18; allow corporations and other entities to contribute to education IRAs; allow contributions until April 15 of the following year; allow a taxpayer to exclude ED IRA distributions from gross income and claim the HOPE or Lifetime Learning credits as long as they are not used for the same expenses; repeal excise tax on contributions made to education IRA when contribution made by anyone on behalf of same beneficiary to QTP; modify phaseout range for married taxpayers	tyba 12/31/01	-175	-315	-397	-483	-575	-671	-771	-874	-982	-1,114	-1,944	-6,355
2. Qualified Tuition Plans - tax-free distributions from State plans; allow private institutions to offer prepaid tuition plans, tax-deferred in 2002, with tax-free distributions beginning in 2004; allow a taxpayer to exclude QTP distributions from gross income and claim the HOPE or Lifetime Learning credits as long as they are not used for the same expenses; expand definition of family member to include cousins; allow tax-free distributions for actual living expenses	tyba 12/31/01	-24	-53	-81	-111	-141	-170	-200	-234	-256	-283	-410	-1,553
3. Employer Provided Assistance - permanently extend the exclusion for undergraduate courses and graduate level courses	cba 12/31/01	-519	-720	-760	-804	-852	-904	-958	-1,012	-1,068	-1,127	-3,656	-8,725
4. Student loan interest - eliminate the 60-month rule; increase phaseout ranges to \$50,000-\$65,000 single/\$100,000-\$130,000 joint; indexed for inflation after 2002	ipa 12/31/01	-170	-245	-262	-277	-289	-305	-321	-338	-356	-375	-1,243	-2,937
5. Eliminate the tax on awards under the National Health Corps Scholarship program and F. Edward Hebert Armed Forces Health Professions Scholarship program	tyba 12/31/01	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-9
6. Increase arbitrage rebate exception for governmental bonds used to finance qualified school construction from \$10 million to \$15 million	bia 12/31/01	[1]	-3	-5	-6	-11	-15	-16	-17	-18	-19	-25	-109

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-06	2002-11
7. Issuance of tax-exempt private activity bonds for qualified education facilities with annual volume cap the greater of \$10 per resident or \$5 million	bia 12/31/01	-5	-19	-38	-61	-88	-120	-155	-191	-224	-257	-212	-1,160
NET TOTAL		-894	-1,356	-1,544	-1,743	-1,957	-2,186	-2,422	-2,667	-2,905	-3,176	-7,495	-20,848

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

bia = bonds issued after

cba = courses beginning after

ipa = interest paid after

tyba = taxable years beginning after

[1] Loss of less than \$500,000.