

ESTIMATED REVENUE EFFECTS OF S. 1134,  
 THE "AFFORDABLE EDUCATION ACT OF 2000,"  
 AS PASSED BY THE SENATE

Fiscal Years 2000 - 2010

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
<b>Education Savings Incentive Provisions</b>														
1. Education IRAs - increase the annual contribution limit to \$2,000; expand the definition of qualified education expenses to include qualified elementary and secondary education expenses; 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; and 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 .....	tyba 12/31/00	---	-53	-175	-267	-356	-447	-543	-645	-749	-856	-965	-1,298	-5,057
2. Qualified Tuition Plans - tax-free distributions from State plans; and allow private institutions to offer prepaid tuition plans, tax-deferred in 2001, with tax-free distributions beginning in 2004; allow a taxpayer to exclude State plan distributions from gross income and claim the HOPE or Lifetime Learning credits as long as they are not used for the same expenses .....	tyba 12/31/00	---	-11	-34	-51	-73	-100	-129	-158	-185	-213	-236	-269	-1,191
<b>Total of Education Savings Incentive Provisions .....</b>		<b>---</b>	<b>-64</b>	<b>-209</b>	<b>-318</b>	<b>-429</b>	<b>-547</b>	<b>-672</b>	<b>-803</b>	<b>-934</b>	<b>-1,069</b>	<b>-1,201</b>	<b>-1,567</b>	<b>-6,248</b>
<b>Educational Assistance Provisions</b>														
1. Employer Provided Assistance - permanent exclusion for undergraduate courses and graduate level courses .....	1/1/02 & 1/1/01	---	-178	-530	-685	-720	-759	-805	-854	-906	-962	-1,024	-2,873	-7,424
2. Student Loan Interest - eliminate the 60 month rule .....	ipa 12/31/00	---	-19	-78	-83	-91	-98	-100	-105	-109	-112	-115	-369	-911
3. Eliminate the tax on awards under the National Health Corps Scholarship program and F. Edward Hebert Armed Forces Health Professions Scholarship program .....	tyba 12/31/93	-1	-2	-1	-1	[1]	[1]	-1	-1	-1	-1	-1	-6	-11
4. 2% floor on miscellaneous itemized deductions not to apply to qualified professional development expenses of elementary and secondary school teachers.....	tyba 12/31/00	---	-12	-26	-30	-33	-37	-41	-45	-50	-55	-60	-138	-391
5. Credit to elementary and secondary school teachers who provide classroom materials.....	tyba 12/31/00	---	-101	-403	-405	-406	-407	-408	-408	-408	-407	-404	-1,721	-3,756

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
6. Exclusion of national service educational awards.....	ari tyba 12/31/99	-1	-4	-3	-3	-3	-3	-3	-3	-3	-3	-3	-19	-36
7. Elimination of the marriage penalty in phaseout of education loan interest deduction.....	tyba 12/31/00	---	-21	-85	-92	-96	-101	-105	-110	-114	-119	-124	-394	-966
<b>Total of Education Assistance Provisions .....</b>		<b>-2</b>	<b>-337</b>	<b>-1,126</b>	<b>-1,299</b>	<b>-1,349</b>	<b>-1,406</b>	<b>-1,463</b>	<b>-1,526</b>	<b>-1,591</b>	<b>-1,659</b>	<b>-1,731</b>	<b>-5,520</b>	<b>-13,495</b>
<b>Liberalization of Tax-Exempt Financing Rules for Public School Construction Provisions</b>														
1. Increase arbitrage rebate exception for governmental bonds used to finance qualified school construction from \$10 million to \$15 million .....	bia 12/31/00	---	[1]	-3	-5	-6	-11	-14	-15	-16	-17	-18	-24	-104
2. 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 12/31/00	---	-6	-19	-37	-57	-83	-113	-146	-178	-210	-241	-202	-1,090
3. Allow Federal Home Loan Bank to guarantee school construction bonds, capped at \$500 million annually .....	[2]	----- No Revenue Effect -----												
4. Disclosure of fire safety standards and measures with respect to campus buildings.....	DOE	----- No Revenue Effect -----												
<b>Total of Liberalization of Tax-Exempt Financing Rules for Public School Construction Provisions .....</b>		<b>---</b>	<b>-6</b>	<b>-22</b>	<b>-42</b>	<b>-63</b>	<b>-94</b>	<b>-127</b>	<b>-161</b>	<b>-194</b>	<b>-227</b>	<b>-259</b>	<b>-226</b>	<b>-1,194</b>
<b>Miscellaneous Provisions - Expansion of section 170(e)(6) corporate contributions of computer technology and equipment; credit for computer donations to schools and senior centers .....</b>														
	[3]	---	-69	-129	-137	-67	-3	---	---	---	---	---	-405	-405
<b>NET TOTAL .....</b>		<b>-2</b>	<b>-476</b>	<b>-1,486</b>	<b>-1,796</b>	<b>-1,908</b>	<b>-2,050</b>	<b>-2,262</b>	<b>-2,490</b>	<b>-2,719</b>	<b>-2,955</b>	<b>-3,191</b>	<b>-7,718</b>	<b>-21,342</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

ari = amounts received in  
 bia = bonds issued after  
 DOE = date of enactment

ipa = interest paid after  
 tyba = taxable years beginning after

- [1] Loss of less than \$500,000.
- [2] The provision will take effect upon the enactment (after the enactment of this bill) of legislation expressly authorizing the Federal Housing Finance Board to allocate authority to Federal Home Loan Banks to guarantee any bond described in the provision, but only if such legislation makes specific reference to the provision.
- [3] Expansion effective for contributions made in taxable years ending after the date of enactment; credit effective before taxable years beginning on or after the date which is 3 years after the date of enactment.