

ESTIMATED REVENUE EFFECTS OF H.R. 5203,
THE "EDUCATION SAVINGS AND SCHOOL EXCELLENCE PERMANENCE ACT OF 2002,"
SCHEDULED FOR CONSIDERATION BY THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 4, 2002

Fiscal Years 2003 - 2012

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2003-07	2003-12
Permanent Extension of Education Savings Incentives in the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")													
1. Coverdell Education Savings Accounts ("ESAs") - increase the annual contribution limit to \$2,000; allow ESA contributions for special needs beneficiaries above the age of 18; allow corporations and other entities to contribute to ESAs; allow contributions until April 15 of the following year; allow a taxpayer to exclude ESA 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 ESA when contribution made by anyone on behalf of same beneficiary to QTP; modify phaseout range for married taxpayers; allow tax-free expenditures for elementary and secondary school expenses; expand the definition of qualified expenses to include certain computers and related items	DOE	---	---	---	---	---	---	---	---	-992	-1,307	---	-2,299
2. Qualified Tuition Programs - tax-free distributions from State plans; allow private institutions to offer prepaid tuition plans, with tax-free distributions; 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 amount of living expenses; ease rollover limitations; clarify coordination with the deduction for higher education expenses; expand to include special needs services expenses.....	DOE	---	---	---	---	---	---	---	---	-219	-315	---	-534
3. Employer Provided Assistance - permanently extend the exclusion for undergraduate courses and graduate level courses	DOE	---	---	---	---	---	---	---	---	-860	-1,183	---	-2,043
4. Student loan interest - eliminate the 60-month rule and the disallowance for voluntary payments; increase phaseout ranges to \$50,000-\$65,000 single/\$100,000-\$130,000 joint, indexed for inflation	DOE	---	---	---	---	---	---	---	---	-286	-395	---	-681

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2003-07	2003-12
5. Eliminate the tax on awards under the National Health Service Corps Scholarship program and F. Edward Hebert Armed Forces Health Professions Scholarship and Financial Assistance Program	DOE	---	---	---	---	---	---	---	---	-1	-1	---	-2
6. Increase arbitrage rebate exception for governmental bonds used to finance qualified school construction from \$10 million to \$15 million	DOE	---	---	---	---	---	---	---	---	---	[2]	---	[2]
7. Issuance of tax-exempt private activity bonds for qualified education facilities with annual State volume caps the greater of \$10 per resident or \$5 million	DOE	---	---	---	---	---	---	---	---	-3	-13	---	-16
Total of a Permanent Extension of Education Savings Incentives in EGTRRA		---	---	---	---	---	---	---	---	-2,361	-3,214	---	-5,575
Extend Coverdell Education Savings Accounts to Certain Home School Expenses	tyba 12/31/02	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Treatment of Military Academy Appointments With Respect to Qualified Tuition Program and Coverdell Education Savings Account Payments and Distributions	tyba 12/31/02	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1	-1	-1	-1	-5
Protection of Social Security and Medicare	DOE	----- <i>No Revenue Effect</i> -----											
NET TOTAL		[1]	[1]	[1]	-1	-1	-1	-1	-1	-2,362	-3,215	-2	-5,582

Joint Committee on Taxation

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

Legend for "Effective" column: DOE = date of enactment

tyba = taxable years beginning after

[1] Loss of less than \$1 million.

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