Chapter 13

Tax Credits and Deductions for Education and Training

Potential as a source of workforce training:
- Tax deductions, tax credits, and other tax preferences for individuals and businesses to help them meet the costs of higher education and training activities.
- Does not directly fund skills training; rather, provides indirect financial advantages that encourage participation in post-secondary education.

Challenges to be addressed:
- Target resources to assist low-income, under-skilled workers better.
- Ensure individuals maximize their benefits.
- Learn more about the effectiveness of tax preferences on influencing behavior.
- Combine or simplify the numerous post-secondary tax preferences.

Overview

In addition to funding for workforce development programs and grants, the federal government provides benefits through the United States Tax Code to taxpayers who incur expenses for higher education and some types of training. These indirect benefits—including tax deductions, tax credits and other tax preferences that reduce tax liability—are an often overlooked vehicle which, if properly targeted, could represent a key element of our nation's workforce development system.

Tax preferences have become a popular approach of federal assistance in recent years. In the 2003-2004 school year, approximately 11.0 million tax filers claimed an education tax credit or tuition deduction—a much larger number of Americans than the 5.1 million students who received financial aid through the Pell Grant program that year.[1] Estimates suggest that approximately 10 percent of all tax units (families and individuals) receive some benefits from education tax provisions.[2]

This chapter explores five provisions of the Internal Revenue Code that offer tax assistance to individuals and businesses incurring expenses for post-secondary education. They are the Hope Credit, the Lifetime Learning Credit, the Tuition and Fees Deduction, the Student Loan Interest Deduction, and Section 127 Employer-Provided Assistance.

Hope and Lifetime Learning Tax Credits

HOPE AND LIFETIME LEARNING TAX CREDITS AT-A-GLANCE

Statute: Taxpayer Relief Act of 1997 (P.L. 105-34).

Administered by: U.S. Department of the Treasury, Internal Revenue Service.

Due for reauthorization: Credits are permanent and do not require reauthorization.

Type of program: Tax preference.

Federal funding: $3.7 billion in reduced tax expenditures for Hope Credits in 2006; $2.3 billion in reduced tax expenditures for Lifetime Learning Credits in 2006.

Average credit: $991 for Hope; $477 for Lifetime Learning in 2002.

Population served: 7.2 million tax filers claimed either credit in 2004.

1 The College Board, *Trends in Student Aid 2005* (New York, 2005), p. 10.
2 Urban Institute-Brookings Institution Tax Policy Center, *The Distributional Consequences of Federal Assistance for Higher Education: The Intersection of Tax and Spending Programs* (Washington, 2005), p. 8.

Background

Congress adopted the Hope and the Lifetime Learning Tax Credits as part of the Taxpayer Relief Act of 1997, which was the main vehicle for the Clinton Administration's middle-class tax cut. The two provisions were included in the broader tax package to increase college affordability and encourage life-long learning among middle- and low-income families.

Current Legislative Status

The tax credits are permanent and do not require reauthorization.

Funding

The Hope Credit provides up to $1,650[3] per eligible student to help offset the costs of the first two years of higher education by subtracting the tax credit amount from the actual income tax owed by a tax filer. Taxpayers are eligible to claim 100 percent of the first $1,000 of qualified expenses and 50 percent of the second $1,000 of expenses.

The Lifetime Learning Credit provides up to $2,000 of credit per tax return for qualified expenses. Taxpayers are eligible to claim 20 percent of the first $10,000 of eligible expenses.[4]

For both credits, qualified education expenses consist of tuition and fees, minus any grants (including Pell Grants), scholarships, and other tax-free assistance. In general, the costs of books, supplies, equipment, and room and board do not count as qualified expenses, although some exceptions exist for supply expenses paid directly to the institution as a condition of enrollment or attendance.

For tax year 2006, the President's FY 2007 budget estimated that the Hope Credit would cost the federal government approximately $3.7 billion and Lifetime Learning Credit would cost $2.3 billion in tax expenditures.[5] This amount is considered significantly lower than the amount that would be spent if all of those who were eligible for the credits had claimed them.

Eligibility

The Hope Credit is available for students only in the first two years of college or other undergraduate post-secondary training, received at any college, university, vocational school, or other institution eligible to participate in student aid programs under the Higher Education Act (HEA).[6] Students must be pursuing a recognized credential, be enrolled at least half-time for one academic period during the year, and not have a felony drug conviction.

Taxpayers may claim the Hope Credit for their own tuition expenses or those of their spouse or dependents. The benefit is calculated on a per-eligible student basis so there is no limit to the number of students or total amount of the credits that may be claimed on one tax return.

Like the Hope Credit, the Lifetime Learning Credit may be claimed for a student's own eligible expenses or those of a spouse or dependents, but it is limited to $2,000 per tax return (whereas the Hope has no per-return limit). Unlike Hope, however, no conditions limit the specific school years in which the credit may be claimed. The Lifetime Credit is also less restrictive in that it is available for any postsecondary education (including non-credit courses) that improves job skills. Similarly, students claiming the Lifetime Credit do not have to pursue a recognized credential and need only be enrolled in one course. In addition, the drug felony conviction bar does not apply.

Both credits are subject to income eligibility restrictions. The benefits are phased out for single filers with modified adjusted gross incomes (AGI) of $45,000 to $55,000 and for joint filers with modified AGI of $90,000 to $110,000 in 2006.[7] Neither married persons who file taxes separately nor certain nonresident aliens may claim benefits. In addition, both credits may not be claimed for the same student in the same year.

Finally, if the calculated credit is larger than the total annual tax owed by an individual or family (including if the filer has no tax liability after other deductions, credits, and adjustments are applied), the excess Hope or Lifetime Credit is not refundable.

3 For 2006-2007 and indexed for inflation for future years.
4 The Gulf Opportunity Zone Act of 2005 (Public Law 109-135) increased the Hope and Lifetime Learning tax credits for students attending colleges and graduate schools in Louisiana, Mississippi, and Alabama for tax years 2005 and 2006.
5 Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2007* (Washington, 2006), p. 288.
6 Public Law 105-224, as amended.
7 Indexed for inflation in future years.

In other words, it cannot be claimed as a payment from the federal government. This has been identified as a key constraint preventing lower-income individuals who have relatively low tax liabilities from taking full advantage of these credits.

Population Served Through Hope and Lifetime Learning Credits

In tax year 2004, 7.2 million filers claimed either a Hope or a Lifetime Learning Credit.[8] While this is a significant number of students, research has shown that many additional students are eligible yet unaware of these benefits. In 2001, only 21 percent of adults in the general population had heard of the credits and only one-third of adult students had used or planned to use the credits.[9] The U.S. Department of Education (DoEd) has estimated that approximately 13.1 million students would benefit each year if the program were fully implemented.[10]

Approximately half of tax filers claiming these credits in tax year 2004 (52% and 49%, respectively) had incomes under $40,000. A sizable portion—between 35 and 39 percent—had annual incomes between $40,000 and $80,000.[11]

Relationship to Other Programs

Other federal grants and tax provisions—such as Pell Grants, employer-provided educational assistance, and education deductions—must be subtracted from a student's tuition and fees before claiming the Hope or Lifetime Credits. The receipt of these credits may also affect a student's ability to claim other benefits. This is intended to prevent individuals from receiving a double benefit from the federal government.

8 Joint Committee on Taxation, *Present Law and Background Relating to Tax Exemptions and Incentives for Higher Education* (Washington, 2006), p. 21.

9 Victoria Choitz, Laura Dowd, and Bridget Terry Long, *Getting Serious About Lifelong Learning: Improving the Use and Value of the Hope and Lifetime Learning Tax Credits for Working Adult Students* (FutureWorks, Boston, Mass., 2004), p. 3.

10 U.S. Department of Education, *Hope Scholarship and Lifetime Learning Credits*, www.ed.gov/offices/OPE/PPI/HOPE/index.html.

11 Government Accountability Office, *Postsecondary Education: Multiple Tax Preferences and Title IV Student Aid Programs Create a Complex Education Financing Environment* (Washington, 2006), p. 9.

12 "The Tax Relief and Health Care Act of 2006," Public Law 109-432.

Tuition and Fees Tax Deduction

Background

The Tuition and Fees Tax Deduction was part of the 2001 Economic Growth and Tax Relief Reconciliation Act (EGTRRA), an expansive piece of tax reform legislation that was a hallmark of the first term of the Bush Administration.

Current Legislative Status

The Tuition and Fees Tax Deduction was extended in the final days of the 109th Congress.[12] The law renewed the credit until December 31, 2007.

TUITION AND FEES DEDUCTION AT-A-GLANCE

Statute: Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16), as amended.

Administered by: U.S. Department of the Treasury, Internal Revenue Service.

Due for reauthorization: Expires December 31, 2007.

Type of program: Tax preference.

Federal funding: $1.8 billion in tax expenditures in 2006.

Average deduction: $377 in 2002.

Population served: 3.4 million tax filers in tax year 2002.

Funding

This benefit allows individuals to deduct up to $4,000 of qualified education and training expenses to reduce their level of overall taxable income for tax years 2003 to 2007. Unlike most other tax deductions, this deduction is taken as an adjustment to income, so it may be claimed even if a taxpayer does not itemize deductions.

Qualified education expenses consist of tuition and fees related to enrollment or attendance at any college, university, vocational school, or other institution that is eligible to participate in a student aid program under HEA. These expenses may also include the cost of books, supplies, and equipment—but only if they are paid directly to the institution as a condition of enrollment (which is rarely the case).

Federal Funding

In tax year 2002, tax filers deducted $1.3 billion of taxable income through this deduction. The average deduction lowered taxable income by $377, and the median income of filers claiming the deduction was approximately $54,326.[13] In 2006, the tuition and fees deduction is predicted to cost the federal government $1.8 billion in tax expenditures.[14]

Eligibility

The deduction of tuition and fees is available to a taxpayer on behalf of self, spouse, or dependent. Like the Lifetime Learning Credit (and unlike the Hope Credit), the benefit is available for any post-secondary education, including non-credit courses, used to improve job skills. Students do not have to pursue a recognized credential and need only be enrolled in one course. In addition, the student must have either a high school diploma or a GED.

The deduction is also subject to income eligibility restrictions. The benefit is phased out for single filers with modified AGI of $65,000 to $80,000 and joint filers with modified AGI of $130,000 to $160,000. The maximum deduction for claimants in these higher income categories is $2,000. Benefits may not be claimed by married persons who file taxes separately, by some nonresident aliens, and by those who claim a Hope or Lifetime Credit for the same expenses.

Population Served Through Tuition and Fees Deduction

In tax year 2002, 3.4 million tax filers deducted qualified education expenses.[15] In tax year 2004, approximately half (52%) of filers claiming the deduction had incomes under $60,000. A quarter of the claimants had incomes over $100,000.[16] Those with incomes higher than $60,000 made up 48 percent of claimants but received 64 percent of the benefits, and the 25 percent of filers with income over $100,000 received 37 percent of the benefits.[17] Those on the upper end of the income scale, with higher tax rates, stand to generate greater tax savings through such deductions than do those on the lower end of the income spectrum.[18]

Relationship to Other Programs

Filers who claim the Hope or Lifetime Learning Credits are not eligible to claim the tuition and fees deduction for the same expenses. As a result, filers must strategically decide which tax preference to choose because eligibility for these benefits often overlaps. Maximization of benefits for individual taxpayers may depend on their overall expenses, level of income, and individual tax situation.

Student Loan Interest Deduction

Background

Congress reinstated the deduction of interest paid on student loans in the Taxpayer Relief Act of 1997, after it had been eliminated in the Tax Reform Act of 1986. In 2001, additional changes extended the initial five-year limit of the benefit and increased the gross income phase-out ranges for the deduction. Now, tax filers may claim up to $2,500 in student loan interest deductions from their tax liability each year. The changes made by EGTRRA expire, however, after December 31, 2010, unless extended.

13 Government Accountability Office, *Student Aid and Postsecondary Tax Preferences: Limited Research Exists on Effectiveness of Tools to Assist Students and Families Through Title IV Student Aid and Tax Preferences* (Washington, 2005), p. 11.
14 Office of Management and Budget (2006), p. 288.
15 Government Accountability Office (2005), p. 11.
16 Government Accountability Office (2006), p. 9.
17 *Ibid.*
18 Government Accountability Office (2005), p. 18.

Current Legislative Status

Most of this deduction is permanent and not subject to reauthorization; however, the elimination of a 60-month limit on deductible interest and an increase in the income-levels at which the deduction phases out are subject to the sunset provisions of EGTRRA, which is set to expire in December 31, 2010.

Student Loan Interest Deduction At-A-Glance

Statute: Taxpayer Relief Act of 1997, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16).

Administered by: U.S. Department of the Treasury, Internal Revenue Service.

Due for reauthorization: Some provisions expire in 2010. The rest are permanent and do not require reauthorization.

Type of program: Tax preference.

Federal funding: $800 million in tax expenditures in 2006.

Average deduction: $134.

Population served: 6.6 million tax filers in tax year 2002.

Funding

The Student Loan Interest Deduction allows individuals to deduct the interest they pay on private or government-backed loans for qualified post-secondary education and training expenses. Taxpayers are able to deduct up to $2,500 in interest payments each year, reducing their overall income subject to taxation. Similar to the tuition and fees deduction, but unlike most other tax deductions, this deduction is taken as an adjustment to income—so it may be claimed even if a taxpayer does not itemize deductions.

Qualified education expenses for which a loan's interest may be deducted include tuition and fees, room and board (as charged or determined by the institution), books, supplies, equipment, and other necessary expenses, such as transportation.

Federal Funding

In tax year 2002, taxpayers deducted $892.6 million of student loan interest from their overall taxable incomes. The average deduction was $134, and the median income of filers claiming the deduction was approximately $43,500.[19] The President's FY07 budget estimated that the student loan interest deduction would cost the federal government $800 million in tax expenditures in 2006.[20]

Eligibility

The Student Loan Interest Deduction is available to a taxpayer on behalf of self, spouse, or dependent enrolled in any college, university, vocational school, or other institution that is eligible to participate in a student aid program under HEA. Students must have been enrolled at least half-time in a program that leads to a degree, certificate, or other recognized educational credential.

The deduction is also subject to income eligibility restrictions, which are indexed for inflation annually. For 2006, the benefits are phased out for single filers with modified AGI of $50,000 to $65,000 and joint filers with modified AGI of $105,000 to $135,000.[21] Married couples who file taxes separately may not claim the benefits. Filers who claim the deduction for a dependent must be legally obligated to make the interest payments on the student loan.

Population Served Through Student Loan Interest Deductions

In tax year 2002, 6.6 million filers deducted student loan interest on their tax returns.[22] Estimates suggest that approximately 4 percent of all tax units claim the deduction, with those with annual incomes above $50,000 receiving approximately 60 percent of the aggregate benefits. The highest rate of receipt for the interest deduction occurs for filers with incomes between $75,000 and $100,000. In this income category, almost 8 percent of tax units receive the benefit.[23]

19 *Ibid*, p. 10.
20 Office of Management and Budget (2006), p. 288.
21 Joint Committee on Taxation (2006), p. 24.
22 Government Accountability Office (2005), p. 10.
23 Urban Institute-Brookings Institution Tax Policy Center (2005), p. vii.

Tax-Free Employee Benefits for Tuition Assistance

Background

First enacted in 1978 as a trial program, the tax-free status of employer-paid tuition under Section 127 of the tax code received 10 short-term extensions, leading to a 10-year extension passed in 2001 as part of EGTRRA. Changes were also made in 2001 to restore the benefit to graduate coursework, which had been omitted in 1996. That exclusion is subject to the general sunset provision of the 2001 law, so the exclusion will not be available after December 31, 2010.

Current Legislative Status

The deduction is subject to the sunset provisions of EGTRRA and is set to expire December 31, 2010.

SECTION 127, EMPLOYER TUITION ASSISTANCE AT-A-GLANCE

Statute: Revenue Act of 1978, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16).

Administered by: U.S. Department of the Treasury, Internal Revenue Service.

Due for reauthorization: Authorization expires December 31, 2010.

Type of program: Tax preference.

Federal funding: $590 million in tax expenditures in 2006.

Population served: 25 percent of undergraduate employees and 13 percent of graduate students.

Funding

The employer tuition assistance benefit enables employers to provide up to $5,250 annually in tax-free educational assistance to employees for graduate- or undergraduate-level courses, regardless of whether they are job-related. Public or private employers may provide reimbursement for tuition, fees, books, supplies, and equipment.

This assistance is excluded from an employee's gross income for tax purposes and from wages for employment tax purposes (e.g., FICA, Medicare). Typically, the tuition benefit is paid as a reimbursement to employees after they have successfully completed a qualifying course of study, with the expectation that they pay out-of-pocket to enroll in the course. Employers who offer assistance under Section 127 do not have to pay the employer's share of employment taxes on the value of the tuition benefit.

The Office of Management and Budget (OMB) estimates that employer-provided tuition assistance cost the federal government $590 million in tax expenditures in 2006.[24] The financial impact of the tax preference is estimated at $7.8 billion over 10 years.[25] The National Postsecondary Student Aid Survey (NPSAS) found that the average amount of financial aid awarded by an employer was $932 for employees pursuing undergraduate studies and $2,451 for employees pursuing graduate studies.[26]

Eligibility

Because benefits offered to employees under Section 127 are structured by individual employers, they may require a minimum grade point average or other criteria before reimbursing employees for their education expenses.

For the exclusion to apply, the educational assistance must be provided through a separate written plan of the employer. Statute dictates that employer educational assistance programs must not discriminate in favor of highly compensated employees and that no more than 5 percent of the amounts paid or incurred by the employer can be provided for more than 5 percent of the company's owners.[27]

24 Office of Management and Budget (2006), p. 288.
25 Joint Committee on Taxation, *Estimated Budget Effects of the Conference Agreement for H.R. 1836* (Washington, 2001), p. 2.
26 *Ibid.*
27 Joint Committee on Taxation, *Present Law and Analysis Relating to Tax Benefits for Higher Education* (Washington, 2004), p. 14.

Population Served Through Tuition Assistance

Data on the overall percentage of employees who receive Section 127 employer tuition assistance are not available. Research from the mid-1990s, however, indicated that 25 percent of undergraduate employees (employed undergraduates who considered themselves primarily employees rather than students) and 13 percent of graduate and other professional students received some form of employer financial aid.[28]

For those reimbursed by employers for undergraduate studies, the typical beneficiary was a full-time employee who was independent, married, older, and of a higher income. In addition, they were more likely to have been reimbursed for study at private, not-for-profit institutions and four-year universities, as opposed to other types of institutions.[29]

Relationship to Other Programs

Individuals may not use any of the tax-free education expenses paid for by their employer as the basis for any other tax deduction or credit, including the Hope Credit or the Lifetime Learning Credit.

Policy Challenges Moving Forward

While using the tax code for policymaking purposes is not new, the existence of numerous post-secondary tax preferences is a relatively recent occurrence. Several key challenges face policy-makers as they consider ways to reform and tailor tax incentives to meet the needs of students and their families.

A primary concern across all of these provisions is whether they are being targeted to workers who need them the most and whether the relative per-person savings offered under such programs are of enough value to encourage workers who otherwise would not enroll in training to do so. For tax initiatives to increase the overall skill level of the American workforce, some attention must be paid to which tax provisions actually add to the number of workers enrolled in education and training, versus using the tax code to pay workers or employers for training that would likely happen even without such incentives.

Specific issues include:

> **Challenge:** Target resources to assist low-income, under-skilled workers better.

Unlike other higher education programs, such as Pell Grants, tax preferences generally have a wider range of eligible participants, including those at middle- and upper-income levels. As the Urban Institute-Brookings Institution Tax Policy Center has reported, "[T]ax provisions provide little benefit to households at the lower end of the income distribution and are substantially less progressive than the Pell Grant, which is targeted at low- and moderate-income students."[30]

This is, in part, because dependent students and the families who are eligible for tax preferences generally have higher incomes and savings than independent students who are supporting themselves. In addition, tax preferences, such as the Hope and Lifetime Learning Credits, require that tax filers have a positive tax liability to use them.

Furthermore, evidence shows that employer-based tax benefits are more likely to flow to higher-paid adults. For example, 11 percent of those with personal earnings of $20,000 or less who enrolled in credential programs had their employers pay at least part of their education expenses, while 56 percent of those earning between $35,001 and $50,000 received support.[31]

For tax initiatives to leverage benefits for lower-income workers, policy attention must be paid both to the potential refundability of tax credits—so workers with low tax liabilities can still benefit from a full Hope or Lifetime tax credit—and to the means for a more progressive approach to income deductibility.

> **Challenge:** Ensure individuals maximize their benefits.

The amount of an individual's tax benefit often relies on the taxpayer's own knowledge of the tax code and the assistance of a paid tax preparer. Individuals must be able to identify the applicable tax preferences, understand how they relate to the taxpayer's own situation (or a client's situation), and understand

28 National Center for Education Statistics, *Employer Aid for Postsecondary Education* (Washington, 1999), p. vi.
29 *Ibid*, p. 25.
30 Urban Institute-Brookings Institution Tax Policy Center (2005), p. 9.
31 *Ibid*.

how they interact with one another to minimize or maximize benefits. This is not always easy. In fact, tax policy analysts consistently identify post-secondary tax preferences as requiring substantial knowledge and skill on the part of students and families.[32] The complexity of and interplay among the various post-secondary tax preferences often make it difficult to assess which combination of credits and deductions will yield the greatest benefit for a particular individual.

Not surprisingly, a Government Accountability Office (GAO) report on student aid and post-secondary tax preferences found that many tax filers do not maximize their benefits when claiming these preferences. In one examination of tax records from 2002, GAO found that more than one-quarter (27%) of filers failed to claim a post-secondary tax preference for which they were eligible. Moreover, of those who claimed a higher education tax credit or tuition deduction, nearly one-third (30%) made decisions that yielded a smaller reduction than they could have otherwise realized.[33]

Challenge: Learn more about the effectiveness of tax preferences on influencing behavior.

As GAO has documented, little is known about how much education-related tax preferences promote educational attendance, choice, and persistence. Limited data exist on the effectiveness of these incentives in changing students' decisions about post-secondary education. Policymakers need more research to make informed decisions about how to build on successful programs and reform less effective ones.

Challenge: Combine or simplify the numerous post-secondary tax preferences.

Given the significant overlap among existing tax credits and deductions and the fact that many tax filers inadvertently make less-than-ideal decisions on which ones to claim, some policymakers have called for combining these benefits into one overall tax credit or deduction that would encompass all higher education expenses. Current tax preferences have different eligibility criteria, different definitions of "qualified expenses," different benefit levels, and different income phase-outs. These variances are not only cumbersome to track but also can lead to taxpayer frustration and errors.

TWA Recommends

The Workforce Alliance has developed a number of specific policy recommendations to address these issues, including:

- Increase the benefit and use of education tax credits for low-income working adults.

The list of eligible education expenses for the Lifetime Learning Credit should be expanded to include not just tuition and fees but also books, supplies and equipment, child care, and living expenses, which students accrue when they pursue post-secondary education. In addition, the percentage of educational expenses that can be counted toward the credit should be increased from 20 percent to 50 percent to allow adult students who attend part-time or less-than-half-time to receive a larger benefit. Finally, all education credits should be refundable to provide the largest benefit to low-income individuals.

- Conduct a public awareness campaign to promote use of education tax preferences.

Many tax filers are not aware that they are eligible for education tax preferences. As a result, they forfeit hundreds of dollars in benefits to which they otherwise would be entitled. The U.S. Departments of Education and the Treasury should make a concerted effort to educate Americans about their eligibility for benefits by conducting a public awareness campaign that demonstrates the resources available to help fund education expenses.

Recent initiatives by a variety of institutions (including community-based organizations and employers) to help more low-income individuals take advantage of the Earned Income Tax Credit could serve as a model for similar outreach and assistance in using education-related tax credits and deductions.

- Create a revolving subsidized loan fund to help low-income employees cover up-front costs associated with employer tuition reimbursement benefits.

32 Government Accountability Office (2005), p. 20.
33 *Ibid*, p. 22.

Many employers who offer tuition assistance to their employees require employees to pay for their expenses up front and then be reimbursed after completing the course. As a result, individuals with modest means may find it difficult to take advantage of this employer benefit.

A federally subsidized revolving loan fund that provides up-front tuition assistance to employees who earn less than 250 percent of the federal poverty line—and whose company provides tuition reimbursement—would enable more low-income adults to use the Section 127 benefit. That would leverage additional private sector resources to invest in the education of America's workers.

Additional Reading

The Law

Taxpayer Relief Act of 1997
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=105_cong_public_laws&docid=f:publ34.105.pdf

Economic Growth and Tax Relief Reconciliation Act of 2001
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ016.107.pdf

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Burman, Leonard E., Elaine Maag, Peter Orszag, Jeffrey Rohaly, and John O'Hare, *The Distributional Consequences of Federal Assistance for Higher Education: The Intersection of Tax and Spending Programs* (Urban Institute-Brookings Institution Tax Policy Center, Washington, 2005).

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