

115TH CONGRESS 1ST SESSION H.R. 4135

To amend the Internal Revenue Code of 1986 to increase the exclusion for educational assistance programs.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 2017

Mr. Smith of Missouri (for himself, Mr. Cuellar, Mr. Rodney Davis of Illinois, Ms. Delbene, and Mr. Danny K. Davis of Illinois) 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 increase the exclusion for educational assistance programs.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- This Act may be cited as the "Upward Mobility En-
- 5 hancement Act".
- 6 SEC. 2. INCREASE IN EXCLUSION FOR EDUCATIONAL AS-
- 7 SISTANCE PROGRAMS.
- 8 (a) In General.—Paragraph (2) of section 127(a)
- 9 of the Internal Revenue Code of 1986 is amended to read
- 10 as follows:

1	"(2) Maximum exclusion.—
2	"(A) In General.—This section shall
3	apply only to the first \$11,500 of educational
4	assistance furnished to an individual during a
5	calendar year, in the case of assistance for edu-
6	cation below the graduate level.
7	"(B) Inflation adjustment.—In the
8	case of any calendar year after 2017, the dollar
9	amount in subparagraph (A) shall be increased
10	by an amount equal to—
11	"(i) such dollar amount, multiplied by
12	"(ii) the cost-of-living adjustment de-
13	termined under section 1(f)(3) for the cal-
14	endar year in which such taxable year be-
15	gins by substituting 'calendar year 2016
16	for 'calendar year 1992' in subparagraph
17	(B) thereof.
18	If any increase determined under this subpara-
19	graph is not a multiple of \$50, such increase
20	shall be rounded to the next lowest multiple or
21	\$50.".
22	(b) Effective Date.—The amendment made by
23	this section shall apply to taxable years beginning after
24	December 31 2016