

AMERICAN COUNCIL ON EDUCATION



GOVERNMENT RELATIONS

May 8, 2008

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Charles E. Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

On behalf of the American Council on Education and the undersigned higher education associations, I write to thank you for including extensions of the above-the-line deduction for qualified tuition and related expenses and the Individual Retirement Account (IRA) Charitable Rollover in the Alternative Minimum Tax and Extenders Tax Relief Act of 2008 (S. 2886). We are extremely grateful that they were included in this bill and urge you to act to extend these provisions as soon as possible.

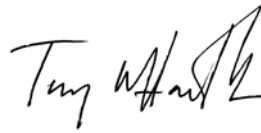
Expired at the end of 2007, the above-the-line deduction for qualified tuition and related expenses enhances access to higher education by helping reduce the cost of college attendance. This important tax benefit allows students or parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. Specifically, it provides for a \$4,000 deduction for single filers earning up to \$65,000 annually and joint filers earning up to \$130,000 annually. It is critical that this tax provision be extended so that families can accurately budget for the costs of attendance without the uncertainty that the provision's expiration has created.

The IRA Charitable Rollover, which also expired in 2007, permits IRA owners, starting at age 70½, to make tax-free charitable gifts totaling up to \$100,000 per year from their IRAs directly to eligible charities, including colleges and universities. From its enactment in August 2006 until its expiration in December 2007, the IRA Charitable Rollover generated millions of dollars in new or increased contributions that helped colleges and universities provide additional benefits to students and enhance access through increased financial aid. The expiration of the IRA Charitable Rollover has harmed the efforts of all charities, including colleges and universities, to generate additional funds to support their important work. Unfortunately, the longer the IRA Rollover remains expired, the less time will be available for schools and donors to use the incentive as a vehicle for charitable donations.

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We strongly support these important higher education tax incentives and appreciate your efforts to extend both of these provisions as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry W. Hartle". The signature is written in a cursive, slightly slanted style.

Terry W. Hartle
Senior Vice President

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On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Council for Advancement and Support of Education
Council of Graduate Schools
National Association for Equal Opportunity in Higher Education
National Association for Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges