

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

November 6, 2007

United States House of Representatives
Washington, DC 20515

Re: Vote in Favor of H.R. 3996, the Temporary Tax Relief Act of 2007

Dear Representative:

On behalf of the American Council on Education and the undersigned higher education associations, I am writing to express our strong support for several provisions included in the Temporary Tax Relief Act of 2007 (H.R. 3996): the one-year extensions of the above-the-line deduction for qualified tuition and the IRA Charitable Rollover; and a provision that would permit tax-exempt organizations, including colleges and universities, to invest directly in domestic hedge funds without being subjected to the Unrelated Business Income Tax (UBIT). We are extremely grateful that they were included in this legislation and urge you to support its final passage.

Currently set to expire at the end of this year, the above-the-line deduction for qualified tuition and related expenses is an important tax provision. This 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.

The IRA Charitable Rollover is a crucial tax provision, which is also scheduled to expire this year. As passed as part of the Pension Protection Act in August 2006, the IRA Charitable Rollover 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. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions that benefit students and the higher education institutions that serve them.

We strongly support these tax provisions and particularly want to see an extension of the expiring tax incentives – the qualified tuition deduction and IRA Charitable

Rollover – this year. We therefore urge you to support final passage of H.R. 3996, the Temporary Tax Relief Act of 2007, when it comes to the House floor later this week.

Sincerely,

A handwritten signature in black ink, appearing to read "David Ward". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Ward
President

DW/bj

On behalf of:

American Association of Community Colleges

American Association of State Colleges and Universities

American Council on Education

American Indian Higher Education Consortium

Association of American Universities

Association of Community College Trustees

Association of Jesuit Colleges and Universities

Hispanic Association of Colleges and Universities

National Association for Equal Opportunity in Higher Education

National Association of College and University Business Officers

National Association of Independent Colleges and Universities

National Association of State Universities and Land-Grant Colleges

National Association of Student Financial Aid Administrators