

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

October 29, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

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 Tax Reduction and Reform Act of 2007. We urge you to include those two expiring tax provisions in the legislative package with the temporary patch of the Alternative Minimum Tax (AMT) and tax extenders to be drafted by the Ways and Means Committee.

The above-the-line deduction for qualified tuition and related expenses is an important tax provision for the higher education community that is currently set to expire at the end of this year. 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. This provision allows a \$4,000 deduction for single filers earning up to \$65,000 annually and joint filers earning up to \$130,000 annually. The tuition deduction is important to both students and families investing in higher education, and it helps colleges and universities better allocate scarce resources and direct aid to the neediest students.

Another important tax provision to the higher education community is the IRA Charitable Rollover. 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. Since its enactment, the IRA Charitable Rollover has already generated millions of dollars in new or increased contributions to support the important work of colleges and universities across the country. Unfortunately, the current IRA Charitable Rollover is scheduled to expire this December. The IRA Charitable Rollover has been a top tax priority of the higher education community for many years.

We strongly support your efforts to extend both of these important higher education tax incentives this year. In addition, we look forward to working with you to help the Committee find

more effective ways to use the tax code to enhance access to higher education, especially for low- and moderate-income students.

Sincerely,



David Ward
President

DW/bj

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
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators