

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

May 19, 2008

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 H.R. 6049, the Energy and Tax Extenders Act of 2008. We are extremely grateful that you have included these important tax incentives in this legislation and strongly support your efforts to pass these expired provisions as soon as possible.

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 tax deduction is particularly beneficial for those students or parents who do not qualify for the Hope or Lifetime Learning tax credits. 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 expiration of this provision in December 2007 created great uncertainty for the many families that have come to rely on the deduction. During this time of economic insecurity, it is particularly important that the deduction be extended as soon as possible to help families manage the costs of attendance in their increasingly strained budgets.

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. 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 to colleges and universities. Our recent survey of IRA Rollover gifts discovered that the number one use of such gifts has been for financial aid. The expiration of the IRA Charitable Rollover has impeded the efforts of all charities, including colleges and universities, to generate additional funds to support their important work. It is absolutely critical to pass an extension of the IRA Rollover as soon as possible because the longer the provision 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 commend your leadership on these important issues and offer you our strong support for your efforts to pass extensions of both of these provisions as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Molly Corbett Broad". The signature is written in a cursive, flowing style.

Molly Corbett Broad  
President

MCB\ksm

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 of Independent Colleges and Universities  
National Association of State Universities and Land-Grant Colleges

cc: Ranking Member Jim McCrery