George W. Bush Presidential Library

Collection: Executive Clerk, Office of the

Series: Saunders, G. Timothy (Tim) – Bill Files

Folder Title: 01/16/2002 [H.R. 3346]

THE PRESIDENT HAS SEEN
1-16-02

APPROVED
JAN 16 2002

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM 10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

Ready

Document Originally
Attached to
Following Page

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT ok	☑	☐	HUBBARD n/c	☑	☐
CARD ok	☑	☐	HUGHES ok	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN n/c	☑	☐	JOHNSON	☐	☐
CALIO ok	☑	☐	LINDSEY ok	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE N/C	☑	☐
GONZALES N/O	☑	☐	SPELLINGS ok	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

An Act

To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SIMPLIFICATION OF REPORTING REQUIREMENTS RELATING TO HIGHER EDUCATION TUITION AND RELATED EXPENSES.

(a) AMENDMENT RELATING TO PERSONS REQUIRED TO MAKE RETURN.—Paragraph (1) of section 6050S(a) of the Internal Revenue Code of 1986 (relating to returns relating to higher education tuition and related expenses) is amended to read as follows:

"(1) which is an eligible educational institution which enrolls any individual for any academic period;".

(b) AMENDMENTS RELATING TO FORM AND MANNER OF RETURNS.—Subsection (b) of section 6050S of such Code is amended as follows:

(1) Paragraph (1) is amended by inserting "and" after the comma at the end.

(2) Subparagraph (A) of paragraph (2) is amended to read as follows:

"(A) the name, address, and TIN of any individual—

"(i) who is or has been enrolled at the institution and with respect to whom transactions described in subparagraph (B) are made during the calendar year, or

"(ii) with respect to whom payments described in subsection (a)(2) or (a)(3) were made or received,".

(3) Paragraph (2) of section 6050S(b) of such Code is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(4) Subparagraph (B) of section 6050S(b)(2) of such Code, as redesignated by paragraph (3), is amended to read as follows:

"(B) the—

"(i) aggregate amount of payments received or the aggregate amount billed for qualified tuition and related expenses with respect to the individual described in subparagraph (A) during the calendar year,

"(ii) aggregate amount of grants received by such individual for payment of costs of attendance that are administered and processed by the institution during such calendar year, "(iii) amount of any adjustments to the aggregate amounts reported by the institution pursuant to clause (i) or (ii) with respect to such individual for a prior calendar year,

"(iv) aggregate amount of reimbursements or refunds (or similar amounts) paid to such individual during the calendar year by a person engaged in a trade or business described in subsection (a)(2), and

"(v) aggregate amount of interest received for the calendar year from such individual, and".

(c) CONFORMING AMENDMENTS.—Subsection (d) of section 6050S of such Code is amended—

(1) by striking "or (B)"; and

(2) in paragraph (2), by striking "subparagraph (C)" and inserting "subparagraph (B)".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply to expenses paid or assessed after December 31, 2002 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 JAN 7 PM10:22

THE DIRECTOR

January 7, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	____________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO 1500
CONNECTION TEL 66212
CONNECTION ID
ST. TIME 01/08 01:45
USAGE T 01'36
PGS. SENT 4
RESULT OK

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		HUBBARD	✓	
CARD	✓		HUGHES	✓	
BLAKEMAN			IRASTORZA		
BOLTEN	✓		JOHNSON		
CALIO	✓		LINDSEY	✓	
CONNAUGHTON			MIERS		✓
DANIELS		✓	RICE		
FLEISCHER	✓		RIDGE		
GERSON			ROVE	✓	
GONZALES	✓		SPELLINGS	✓	
HAGIN			CLERK		✓
HAWKINS	✓		________		

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM 10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M. E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO	1499
CONNECTION TEL	51005
CONNECTION ID	
ST. TIME	01/08 01:43
USAGE T	01'35
PGS. SENT	4
RESULT	OK

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY. 1-8-02. THANK YOU.

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	HUBBARD	✓	☐
CARD	✓	☐	HUGHES	✓	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	✓	☐	JOHNSON	☐	☐
CALIO	✓	☐	LINDSEY	✓	☐
CONNAUGHTON	☐	☐	MIERS	☐	✓
DANIELS	☐	✓	RICE	☐	☐
FLEISCHER	✓	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	✓	☐
GONZALES	✓	☐	SPELLINGS	✓	☐
HAGIN	☐	☐	CLERK	☐	✓
HAWKINS	✓	☐	______	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark Weinberger

Mark A. Weinberger
Assistant Secretary (Tax Policy)

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO	1496
CONNECTION TEL	56958
CONNECTION ID	
ST. TIME	01/08 01:37
USAGE T	01'37
PGS. SENT	4
RESULT	OK

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY. 1-8-02. THANK YOU.

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	____________	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

'02 JAN 8 AM 7:23

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		HUBBARD	✓	
CARD	✓		HUGHES	✓	
BLAKEMAN			IRASTORZA		
BOLTEN	✓		JOHNSON		
CALIO	✓		LINDSEY	✓	
CONNAUGHTON			MIERS		✓
DANIELS		✓	RICE		
FLEISCHER	✓		RIDGE		
GERSON			ROVE	✓	
GONZALES	✓		SPELLINGS	✓	
HAGIN			CLERK		✓
HAWKINS	✓				

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

OK AKC 1/8 6:10 A

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark Weinberger

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

'02 JAN 8 AM8:22

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

CEA has no comment
DHE

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

'02 JAN 8 PM10:33

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

no comment

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark Weinberger

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

'02 JAN 8 AM8:38

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	____________	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

ok

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

'02 JAN 8 PM1:02

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCERNENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:

PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

'02 JAN 8 PM2:42

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	________	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:
Legislative Affairs (Howard) - ok

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM 10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M.E. Daniels, Jr.

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

BRETT

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

No objections / comments.
Brett Kavanaugh
6-7984

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

'02 JAN 8 PM3:54

Date: 1-7-02 ACTION / CONCERNCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE: OK/NEC

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

January 7, 2002

'02 JAN 7 PM10:22

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 3346 - Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses
Sponsor - Rep. Manzullo (R) Illinois

Last Day for Action

January 16, 2002 - Wednesday

Purpose

Simplifies reporting requirements for schools under the Hope Scholarship Tax Credit and Lifetime Learning Tax Credit programs.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Education	Defers to Treasury (Informally)

Discussion

The Hope Scholarship Tax Credit permits taxpayers to claim credits of up to $1,500 annually for qualified tuition and related expenses for each student in the taxpayer's family enrolled in the first two years of college or other eligible post-secondary training. The Lifetime Learning Tax Credit permits taxpayers to claim credits of 20 percent for the first $5,000 in tuition and associated fees (increasing to 20 percent of the first $10,000 in 2003) for all individuals enrolled in college or working persons pursuing lifelong learning to upgrade their skills.

These credits were enacted in the Taxpayer Relief Act of 1997, P.L. 105-34, which also mandated reporting requirements for schools receiving payments supported by these credits. For example, schools must report to the Treasury and to the students the amount of tuition and grant payments received. The reporting requirements were to take effect upon the issuance of implementing regulations by the Department of the Treasury. Since these regulations have not been issued, these reporting requirements have not taken effect.

H.R. 3346 would make two changes to the current requirements to simplify reporting for schools that receive payments funded by these credits. First, the enrolled bill would eliminate the requirement that institutions provide social security numbers and other information for taxpayers claiming the tax credits. This information would be required only for the student for whom a credit is claimed. Second, the enrolled bill would permit institutions to report information on tuition and related expenses in the form of either payments received from, or amounts billed to, qualified students. Under current law, institutions would be required to report this information based on payments received. According to statements on the floor of the House, this amendment would allow many institutions to avoid making costly changes to their accounting and computer systems.

These amendments would apply to expenses paid or assessed after December 31, 2002.

Conclusion and Recommendations

The Department of the Treasury recommends approval of H.R. 3346, and advises that the enrolled bill "responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits."

We join Treasury in recommending approval of H.R. 3346, which passed the House by voice vote and the Senate by unanimous consent.

M. E. Daniels

Mitchell E. Daniels, Jr.
Director

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

December 21, 2001

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 3346, "To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses."

The enrolled bill amends the information reporting requirements that apply to institutions of higher education, to give institutions the option of reporting either payments received or amounts billed for qualified tuition and related expenses. This change responds to a request from a number of higher education institutions, while still providing important information to students about their eligibility to claim education tax credits and other tax benefits for higher education.

In view of the foregoing, the Department of the Treasury supports the enrolled bill, and therefore recommends that the President sign it into law.

Sincerely,

Mark A. Weinberger
Assistant Secretary (Tax Policy)

OFFICE OF THE VICE PRESIDENT
WASHINGTON

'02 JAN 8 PM6:19

January 8, 2002

MEMORANDUM FOR HARRIET MIERS
STAFF SECRETARY

FROM: JONATHAN BURKS JB
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: H.R. 3346 – Simplification of Internal Revenue Code Reporting Requirements Concerning Higher Education Expenses

The Office of the Vice President has reviewed the above-referenced draft and concurs in the recommendation to sign the enrolled bill.

SS/ RM NO. 505314

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-7-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-8-02, 4:00 PM

Subject: H.R. 3346 - SIMPLIFICATION OF INTERNAL REVENUE CODE REPORTING REQUIREMENTS CONCERNING HIGHER EDUCATION EXPENSES

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☑	☐
CARD	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☐	☑	RICE	☐	☐
FLEISCHER	☑	☐	RIDGE	☐	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
HAWKINS	☑	☐	______	☐	☐

REMARKS:
PLEASE SEND REMARKS TO STAFF SECRETARY, EXT. 62702, FAX 62215, NO LATER THAN 4:00 PM TUESDAY, 1-8-02. THANK YOU.

RESPONSE:

No comment

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

An Act

To amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SIMPLIFICATION OF REPORTING REQUIREMENTS RELATING TO HIGHER EDUCATION TUITION AND RELATED EXPENSES.

(a) AMENDMENT RELATING TO PERSONS REQUIRED TO MAKE RETURN.—Paragraph (1) of section 6050S(a) of the Internal Revenue Code of 1986 (relating to returns relating to higher education tuition and related expenses) is amended to read as follows:

"(1) which is an eligible educational institution which enrolls any individual for any academic period;".

(b) AMENDMENTS RELATING TO FORM AND MANNER OF RETURNS.—Subsection (b) of section 6050S of such Code is amended as follows:

(1) Paragraph (1) is amended by inserting "and" after the comma at the end.

(2) Subparagraph (A) of paragraph (2) is amended to read as follows:

"(A) the name, address, and TIN of any individual—

"(i) who is or has been enrolled at the institution and with respect to whom transactions described in subparagraph (B) are made during the calendar year, or

"(ii) with respect to whom payments described in subsection (a)(2) or (a)(3) were made or received,".

(3) Paragraph (2) of section 6050S(b) of such Code is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(4) Subparagraph (B) of section 6050S(b)(2) of such Code, as redesignated by paragraph (3), is amended to read as follows:

"(B) the—

"(i) aggregate amount of payments received or the aggregate amount billed for qualified tuition and related expenses with respect to the individual described in subparagraph (A) during the calendar year,

"(ii) aggregate amount of grants received by such individual for payment of costs of attendance that are administered and processed by the institution during such calendar year, "(iii) amount of any adjustments to the aggregate amounts reported by the institution pursuant to clause (i) or (ii) with respect to such individual for a prior calendar year,

"(iv) aggregate amount of reimbursements or refunds (or similar amounts) paid to such individual during the calendar year by a person engaged in a trade or business described in subsection (a)(2), and

"(v) aggregate amount of interest received for the calendar year from such individual, and".

(c) CONFORMING AMENDMENTS.—Subsection (d) of section 6050S of such Code is amended—

(1) by striking "or (B)"; and

(2) in paragraph (2), by striking "subparagraph (C)" and inserting "subparagraph (B)".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply to expenses paid or assessed after December 31, 2002 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

Wayne T. Gilchrest

Speaker of the House of Representatives pro tempore.

Robert C. Byrd

~~*Vice President of the United States and*~~

President of the Senate. Pro Tempore.

APPROVED

JAN 1 6 2002