



# Committee On Finance

Max Baucus, Ranking Member

**NEWS RELEASE**

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Contact: Carol Guthrie (Baucus) (202) 224-4515  
Eric Schultz (Schumer) (202) 224-7433

## **BAUCUS, SCHUMER: SENATE MUST DELIVER COLLEGE TUITION TAX CUT** *House sends bill to Senate including annual \$4,000 tax deduction for education expenses*

*Washington, DC* – U.S. Senators Max Baucus (D-Mont.) and Chuck Schumer (D-N.Y.) today urged their Senate colleagues to support legislation renewing the college tuition tax deduction. This tax cut allows students and parents to deduct as much as \$4,000 of qualified higher education expenses from their Federal taxes each year. It expired on December 31, 2005. Its renewal has been postponed a number of times this year, but it is included in pending legislation that extends various tax, health, and trade provisions. The House approved the year-end tax bill today, and the Senate should vote on the legislation before the 109<sup>th</sup> Congress adjourns sine die.

**“College students and parents depend on this tax cut to lighten the load of education expenses, and Congress has kept those families waiting for too long. Now that the House has acted, Senators should vote to seal the deal on a tax cut that will help millions of Americans get the education they need and deserve,”** said Baucus, the Ranking Democrat on the Senate Finance Committee. **“America is in a race with the rest of the world to grow the strongest, most educated workforce available to attract and keep good-paying jobs here at home. So the tuition deduction is about more than taxes. It’s really about making higher education, whether college or vocational school, affordable and accessible for more of our citizens. The Senate needs to reaffirm Americans’ right to education by renewing this vital tax cut.”**

**“This Republican Congress has left the college tuition tax deduction in limbo far too long, putting the interests of big business and big oil ahead of middle class families. A college education has become a necessity that’s priced as a luxury - and it’s breaking the bank for students and their families throughout the nation,”** said Schumer, who also serves on the Finance panel. **“To hard-working New York parents, skyrocketing tuition costs mean debt and second mortgages. They mean lost family vacations and hard choices about how many children can be sent to school. The college tuition tax deduction makes these choices a little easier by saving families thousands of dollars every year.”**

Baucus and Schumer both worked to create the tuition deduction in 2001. In 2004, 4.6 million Americans used the deduction for qualified tuition and related expenses, deducting a total of \$10.6 billion from their Federal taxes.

Renewal of the tuition tax cut – and other provisions including the research and development tax credit, the state and local sales tax deduction, and the tax deduction for teachers who spend their own money on classroom supplies – were omitted from a tax reconciliation bill in May of this year, in favor of extending tax cuts on capital gains and dividends earnings beyond 2009. The provisions were also stripped from the final pension bill this summer to force a vote on other, controversial legislation. The Senate is expected to vote soon on the bill including the college tuition deduction.

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