



Office of the President

July 28, 2008

U.S. Senate
Washington, DC 20510

Dear Senator:

On behalf of the higher education associations listed below, I write to express our strong support for extensions of the above-the-line deduction for qualified tuition and related expenses and the Individual Retirement Account (IRA) Charitable Rollover included in S. 3335, the Jobs, Energy, Families, and Disaster Relief Act of 2008, recently introduced by Sen. Max Baucus (D-MT). These tax provisions are of critical importance to the higher education community. We are extremely grateful that they were included in this bill and urge the Senate to pass extensions of these provisions as soon as possible.

The above-the-line deduction for qualified tuition and related expenses, which expired at the end of 2007, enhances access to higher education by helping reduce the cost of attendance. This important tax benefit allows students or parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. 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. 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, which also expired in 2007, 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 that helped colleges and universities provide additional benefits to students. Our recent survey of IRA Rollover gifts revealed that the number one use of such gifts by institutions 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 this year.

We strongly support these important tax incentives and urge the Senate to extend both of these provisions as soon as possible.

Sincerely,

A handwritten signature in black ink that reads "Molly B. Broad". The signature is written in a cursive style with a large, looped initial "M".

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 of Independent Colleges and Universities

National Association of State Universities and Land-Grant Colleges