

June 24, 2014

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

RE: Markup of Student and Family Tax Simplification Act (H.R. 3393)

Dear Chairman Camp and Ranking Member Levin:

I am writing today concerning the markup of the Student and Family Tax Simplification Act (H.R. 3393) scheduled for Wednesday, June 25.

We have long supported reform of the current American Opportunity Tax Credit (AOTC), the Hope Scholarship Credit, the Lifetime Learning Credit (LLC), and the tuition deduction, which are overly complex and difficult for students and their families to correctly use. We believe a consolidated credit can simplify the higher education tax benefits while retaining positive aspects of the present credits and deductions to better serve low- and middle-income traditional and nontraditional students now and in the future, helping them attain an associate or bachelor's degree or pursue post-baccalaureate education or lifelong learning.

Overall, H.R. 3393 takes several important steps forward to create a simpler, single tax credit. We applaud the fact that the bill increases refundability and includes an important fix to better coordinate the AOTC and the Pell Grant. We are also very pleased that the Chairman is planning to offer a substitute that would amend the bill to maintain the AOTC's current income phase-out limits.

However, as we discussed in our attached letter of April 4, 2014, there are a number of other changes in the bill which cause us great concern. Even with the substitute version, the bill would negatively impact many low- and middle-income students and families who benefit under current law. It would also harm graduate students and lifetime learners who utilize the tuition deduction or the LLC. As we continue to have serious concerns about the Student and Family Tax Simplification Act, we cannot support the bill as currently written, even in the form of the proposed substitute.

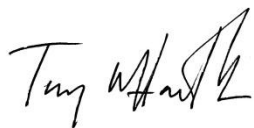
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As a result of our strong support for reforming these credits, we have had many discussions with tax staff over the past months about ways to implement reform to address our concerns. We remain deeply committed to continue working with you to improve the Student and Family Tax Simplification Act to better serve traditional and non-traditional low- and middle-income students now and in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry W. Hartle". The signature is written in a cursive, slightly slanted style.

Terry W. Hartle
Senior Vice President

TWH/law