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COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH

COMMITTEE ON THE BUDGET

Congress of the United States
House of Representatives

April 19, 2011

Neil Buchannan,
Professor George Washington University School of Law
Democratic Witness

Re: Committee on Ways and Means; The Tax Code's Burdens on Individuals and Families Demonstrate the Need for Comprehensive Tax Reform

Dear Mr. Buchannan:

In doing background research for this hearing, I kept asking myself, "what are every day families in my district saving for in life?" The answer that I kept coming back to was "education."

As I delved into the way the IRC assisted families with educational savings, I found that there are a significant number of accounts available. Each account had its own contribution limits, income caps and qualifying expenses. There are: 529, Coverdale, individual deduction for higher Educational, exclusion for employer provided education benefits, the American Opportunity tax credit and a life time learning credit.

The families using these accounts, by definition, have many important obligations in their lives. And to me, it seems that the current system is overly complicated and overlapping, and therefore limits the accessibility of these accounts to individuals they are supposed to help.

So as we move forward with discussions about tax reform, in your opinion, would it not be better to consolidate all of these benefits into one simple tax incentive? How do you think these accounts should look like? And finally, how could they be constructed to make sure whatever account, or accounts, that are created, are accessible to middle income America?

Thank you for your response.


Bill Pascrell, Jr.
Member of Congress