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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 301

[REG-131418-14]

RIN 1545–BN27

Reporting for Qualified Tuition and Related Expenses, Education Tax Credits; Comment Period Reopening

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking; reopening of comment period.

SUMMARY: The Department of the Treasury and the IRS are reopening the comment period for REG-131418-14, relating to the reporting requirements for qualified tuition and related expenses under Section 6050S, as well as to the proposed amendments to the regulations on the education tax credits under section 25A.

DATES: The comment period for REG-131418-14, 81 FR 50657 (August 2, 2016) is reopened, and additional written or electronic comments and requests for a public hearing must be received by

[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Commenters are strongly encouraged to submit additional public comments electronically.

Submit electronic submissions via the Federal eRulemaking Portal at www.regulations.gov (indicate IRS and REG-131418-14) by following the online instructions for submitting comments. Once submitted to the Federal eRulemaking Portal, comments cannot be edited or withdrawn. The Department of the Treasury (the “Treasury Department”) and the Internal Revenue Service (the “IRS”) will publish for public availability any comment submitted electronically, and on paper, to its public docket.

Send paper submissions to: CC:PA:01:PR (REG-131418-14), Room 5203, Internal Revenue Service, P.O. 7604, Ben Franklin Station, Washington, DC 20044.

FOR FURTHER INFORMATION CONTACT: concerning section 25A, Mon Lam or YoungNa Lee at (202) 317-4178; concerning section 6050S, Blaise Dusenberry at (202) 317–5405 (not toll-free numbers):

Concerning submissions of comments, Vivian Hayes, (202) 317-6901 (not a toll-free number) or by email to publichearings@irs.gov (preferred).

SUPPLEMENTARY INFORMATION: The proposed regulations were published on August 2, 2016, (81 FR 50657) and a correction was made on September 26, 2016 (81 FR 65983) (the "2016 proposed regulations"). Generally, the 2016 proposed regulations provided guidance to educational institutions relating to the preparation and submission of reporting forms under section 6050S, for use by students claiming educational credits under section 25A. The 2016 proposed regulations also would amend the Income Tax Regulations on the education tax credits under section 25A to conform the regulations to the rules for changes made to section 25A by the Trade Preferences Extension Act of 2015 (Pub. L. 114-27 (129 Stat. 362)) (TPEA) and the Protecting Americans from Tax Hikes Act of 2015 (Pub. L. 114-113 (129 Stat. 2242)) (PATH Act). In addition, the 2016 proposed regulations would amend the Income Tax Regulations on the education tax credits under section 25A to update the definition of qualified tuition and related expenses in §1.25A-2(d) to reflect changes made by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5 (123 Stat. 115)), to clarify the prepayment rule in §1.25A-5(e), and to clarify the rule for refunds in §1.25A-5(f).

The Treasury Department and the IRS are considering finalizing the 2016 proposed regulations and, therefore, are reopening the comment period with respect to the 2016 proposed regulations for 60 days. Comments that were previously submitted in accordance with the 2016 proposed regulations will be considered and do not need to be submitted again in response to this reopening of the comment period. The Treasury Department and the IRS are particularly interested in comments regarding the impact of any statutory changes on the reporting process. The Treasury Department and the IRS are also interested in the impact of technological changes to the reporting process.

In addition, the Treasury Department and the IRS are also considering updating the section 25A regulations to reflect statutory changes to the education tax credits under section 25A since the TPEA and PATH Act, including changes made by the Tax Cuts and Jobs Act (Pub. L. 115-97 (131 Stat. 2054)), the Consolidated Appropriations Act, 2018 (Pub. L. 115-141 (132 Stat. 351)), and the Consolidated Appropriations Act, 2020 (Pub. L. 116-260 (134 Stat. 1182)). Specifically, the statutory changes modify

the amount of the American Opportunity Tax Credit (AOTC); modify the number of years an eligible student can claim the AOTC; increase the phaseouts for the Lifetime Learning Credit and the AOTC; repeal the inflation adjustment; and change the “Hope Credit” to the “American Opportunity Tax Credit” and remove the terminology of “Hope Credit.” The Treasury Department and the IRS request comments on the need for updating the section 25A regulations to reflect any such statutory changes in final regulations.

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