

Dear Colleague,

The attached bill sets forth a new refundable tax credit that will provide important and necessary relief to any qualified, injured soldier returning from an active combat zone that is seeking a higher education.

This bill has been produced by several Master's of Accountancy graduates from the University of Kansas. This bill will provide a targeted benefit to disabled veterans that require assistance to return to school. For example, a veteran who needs a writing table for her wheelchair would be allowed a tax credit for this necessary educational expense.

The current tax law falls short in providing educational and medical assistance to disabled veterans. Over 70% of taxpayers do not itemize deductions and thus, medical deductions are of limited use. In addition, the high threshold for medical deductions (7.5%) further limits the value. Including certain medical expenses as a qualified higher education expense eligible for the HOPE or LIFETIME learning credit would also have limited value. The tax law requires that GI bill income offset educational expenses so few veterans qualify for education credits.

We ask you to join us in honoring the sacrifice of these veterans and recognizing their special medical needs in returning to school by supporting this proposed bill.

The bill includes the following provisions:

- A qualified individual is any soldier who has served in an active combat zone as part of the United States since September 11, 2001
- This bill offers a refundable credit of up to \$1,000 to help mitigate the costs of needed medical attention and to encourage the pursuit of a higher education
- This provision does not reduce potential credit amounts due to the use of tax free income as other education credit do
- Any excess credit amounts are allowed to carry forward to use in future years that the individual pursues a higher education
- This bill targets individuals who require assistance by considering the amount of income they can earn and maintain eligibility
- This bill provides financial relief for medical needs that does not require the individual to itemize deductions
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This bill will have a positive impact on the lives of the men and women who were injured while bravely serving our nation; these veterans deserve assistance to return to school. Thank you for your time and consideration in this matter.

Sincerely,

University of Kansas MAcc Tax students
Dr Alexander, faculty advisor

