

# United States Senate

WASHINGTON, DC 20510

August 18, 2014

The Honorable Arne Duncan  
Secretary  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, DC 20202

The Honorable Jacob Lew  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Ave, N.W.  
Washington, DC 20220

Dear Secretary Duncan and Secretary Lew,

We write to respectfully request your assistance in providing better information to students and their families about underutilized tax benefits available to help them save and pay for college.

We firmly believe that one of the best investments we can make in our economy is in post-secondary education whether through job training, certifications, or a college degree. However, more needs to be done to make sure that a higher education is accessible and affordable for all students and their families. That is why we need to make sure that they know about all of the tools available, beyond student loans, to help pay for college – including savings plans, tax credits, and tax deductions.

According to a 2012 GAO report, about one in six tax filers failed to take the maximum higher education tax benefit available to them. It is our hope that your departments can develop a simple guide to higher education tax benefits that can be circulated to parents and prospective students, school counselors, financial aid administrators, tax preparers, college admission counselors, and any other interested party. The guide should provide an easy-to-understand overview of the current benefits and provide guidance to students and their families on where they can access more detailed information. This resource should also be available online on the Department of Education's Financial Aid Toolkit and at the Internal Revenue Service's Tax Benefits Information Center.

In addition to providing a guide to education tax credits, we also request that you work together to improve the information provided to students and their families through the Free Application for Federal Student Aid (FAFSA) process. As you know, the current online FAFSA application process already requires students to provide tax information in order to estimate student aid eligibility. In order to improve the coordination of all student aid, we ask that you provide an estimate of the American Opportunity Tax Credit (AOTC) that applicants could receive based on the tax information they provide on the FAFSA. We also ask that students be given additional

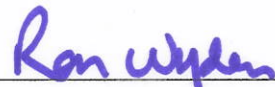
information on the interaction of the AOTC and other student aid, such as Pell and institutional aid, so they can maximize benefits.

The Administration has been focused on ensuring that college is affordable and accessible to anyone interested in obtaining post-secondary education – goals that we strongly share. Thank you for your consideration of our requests, and we look forward to working with you to ensure that students and their families have the resources they need to prepare for college and their future.

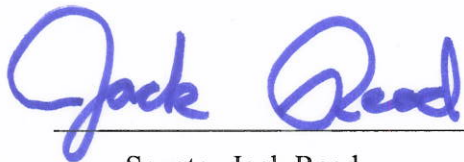
Sincerely,



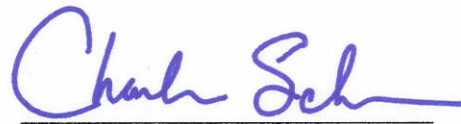
Senator Debbie Stabenow



Senator Ron Wyden



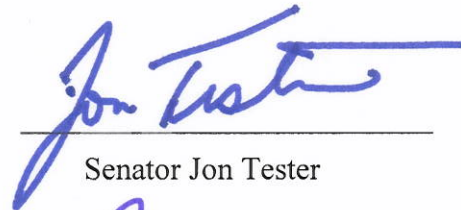
Senator Jack Reed



Senator Charles E. Schumer



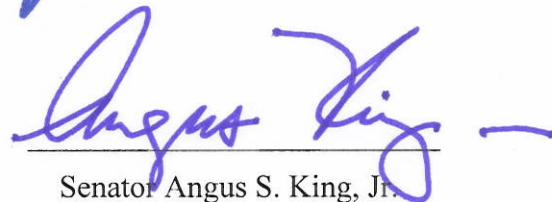
Senator Carl Levin



Senator Jon Tester



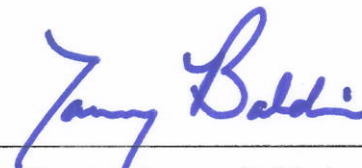
Senator Robert P. Casey, Jr.



Senator Angus S. King, Jr.



Senator Michael F. Bennet



Senator Tammy Baldwin

Mazie K. Hirono

Senator Mazie K. Hirono

Chris Coons

Senator Christopher A. Coons