STATEMENT OF SENATOR STROM THURMOND (D-SC) UPON INTRODUCTION OF EDUCATIONAL TAX CREDIT BILL ON THE FLOOR OF THE SENATE, MARCH 13, 1958.

MR. PRESIDENT:

I sent to the desk for appropriate reference a bill to allow a credit of $100 against the individual income tax for a taxpayer who is a student at an educational institution above high school level and for each dependent who is such a student.

The operation of this bill is quite simple. It provides for a tax credit of $100 to a taxpayer for himself, his spouse, or any dependent to whom the taxpayer stands in relation of loco parentis, when the taxpayer, his spouse, or such dependent incurred expenses as a student at an educational institution above the secondary level for at least four months during the taxable year. This bill also extends the benefit of the tax credit to teachers who attend advanced courses for as much as six weeks during the taxable year in pursuance of their careers in the teaching profession.

The purpose of this bill is threefold. First, it is designed to give tax relief to the parents of students at colleges and other educational institutions above the secondary level. The cost of an advanced education has increased tremendously over the past few years. Parents who began saving years ago toward the education of their children now find that their savings are insufficient and their children's education must be paid for from regular income.

The second purpose of this bill is to provide an additional incentive for parents with limited financial means to make a greater effort to provide themselves and their children with a higher education. To my thinking, this would be a more direct approach to the education problem we now face than the currently popular scholarship proposals. The educational tax credit has the additional advantage over the scholarship proposals of having much less administrative costs and burdens.
Thirdly, this tax credit would act as a stimulant badly needed for our economy. The estimated annual loss in revenue from this tax credit is $190,000,000.00, which amount would be apread among consumers throughout the Country.

Mr. President, I sincerely hope that the Committee and the Senate will take early favorable action on this legislation.

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