



Council for American Private Education

## Update

December 17, 2010

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### **New Tax Law Includes Key Education Provisions**

The tax-cut measure that President Obama signed into law this afternoon preserves for another two years the historic Coverdell Education Savings Accounts, which were first enacted in 2001. The accounts allow families to earn tax-exempt interest on up to \$2,000 in annual savings for specified expenses, including tuition, associated with elementary, secondary, or post-secondary education in a public or private school.

The new law also extends for two years the above-the-line deduction for certain expenses incurred by elementary and secondary school teachers. Classroom teachers and certain other personnel in public and private schools may continue to deduct up to \$250 for their out-of-pocket expenditures for books, computer equipment and software, and other materials and supplies used in the classroom.

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