

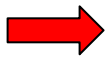
**Internal Revenue Code Section 72(t)(7)(A)**

Annuities; certain proceeds of endowment and life insurance contracts

(t) 10-percent additional tax on early distributions from qualified retirement plans.

...

(7) Qualified higher education expense. For purposes of paragraph (2)(E)—



(A) In general. The term "qualified higher education expenses" means qualified higher education expenses (as defined in section 529(e)(3)) for education furnished to—

- (i) the taxpayer,
- (ii) the taxpayer's spouse, or
- (iii) any child (as defined in section 152(f)(1)) or grandchild of the taxpayer or the taxpayer's spouse, at an eligible educational institution (as defined in section 529(e)(5)).

(B) Coordination with other benefits. The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).