

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5578

To amend the Internal Revenue Code of 1986 to extend the exclusion for employer-provided educational assistance to employer payment of interest on certain refinanced student loans.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mr. RODNEY DAVIS of Illinois introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the exclusion for employer-provided educational assistance to employer payment of interest on certain refinanced student loans.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Employer Participation  
5       in Refinancing Act”.

1 **SEC. 2. EXCLUSION FOR EMPLOYER PAYMENT OF INTER-**  
2 **EST ON CERTAIN REFINANCED STUDENT**  
3 **LOANS.**

4 (a) IN GENERAL.—Paragraph (1) of section 127(c)  
5 of the Internal Revenue Code of 1986 is amended by strik-  
6 ing “and” at the end of subparagraph (A), by redesignig-  
7 nating subparagraph (B) as subparagraph (C), and by in-  
8 serting after subparagraph (A) the following new subpara-  
9 graph:

10 “(B) the payment by an employer, whether  
11 paid to the employee or to a lender, of any in-  
12 debtedness of the employee under a qualified  
13 education refinance loan or any interest relating  
14 to such a loan, and”.

15 (b) QUALIFIED EDUCATION REFINANCE LOAN.—  
16 Subsection (c) of section 127 of the Internal Revenue Code  
17 of 1986 is amended by adding at the end the following  
18 new paragraph:

19 “(8) QUALIFIED EDUCATION REFINANCE  
20 LOAN.—The term ‘qualified education refinance  
21 loan’ means any indebtedness used solely to refi-  
22 nance a qualified education loan (within the meaning  
23 of section 221(d)(1)) with respect to which the lend-  
24 er offers the borrower protection in the event of un-  
25 employment or financial hardship (as reasonably de-

1       terminated by the lender, including periods of forbear-  
2       ance or career assistance).”.

3       (c) CONFORMING AMENDMENT; DENIAL OF DOUBLE  
4 BENEFIT.—Paragraph (1) of section 221(e) of the Inter-  
5 nal Revenue Code of 1986 is amended by inserting before  
6 the period the following: “, or for which an exclusion is  
7 allowable under section 127 to the taxpayer’s employer by  
8 reason of the payment by such employer of any indebted-  
9 ness on a qualified education loan of the taxpayer”.

10       (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to expenses paid after December  
12 31, 2014.

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