

114TH CONGRESS
2D SESSION

H. R. 4363

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid by an employer on an employee's student loans.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 2016

Mr. AUSTIN SCOTT of Georgia introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid by an employer on an employee's 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 "Student Tax Afford-
5 ability and Relief Act".

1 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR BENEFITS**
2 **UNDER STUDENT LOAN PAYMENT ASSIST-**
3 **ANCE PROGRAMS.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 of the Internal Revenue Code of 1986 is amended
6 by inserting after section 127 the following new section:

7 **“SEC. 127A. BENEFITS UNDER EMPLOYER SPONSORED STU-**
8 **DENT LOAN REPAYMENT PROGRAMS.**

9 “(a) IN GENERAL.—In the case of an individual,
10 gross income does not include qualified student loan pay-
11 ment assistance.

12 “(b) QUALIFIED STUDENT LOAN PAYMENT ASSIST-
13 ANCE.—For purposes of this section, the term ‘qualified
14 student loan payment assistance’ means amounts paid or
15 incurred by an employer under a plan for the exclusive
16 benefit of the employees of the employer to provide such
17 employees with student loan payment assistance.

18 “(c) LIMITATIONS.—The amount taken into account
19 under subsection (a) for a taxable year shall not exceed
20 \$10,000.

21 “(d) DEFINITIONS.—For purposes of this section—

22 “(1) STUDENT LOAN PAYMENT ASSISTANCE.—

23 The term ‘student loan payment assistance’ means
24 the payment of principal or interest on—

25 “(A) any indebtedness incurred by an em-
26 ployee for qualified higher education expenses

1 incurred by the employee for education fur-
2 nished to the employee, and

3 “(B) any indebtedness used to refinance
4 indebtedness described in subparagraph (A).

5 “(2) QUALIFIED HIGHER EDUCATION EX-
6 PENSE.—The term ‘qualified higher education ex-
7 pense’ means the cost of attendance as defined in
8 section 472 of the Higher Education Act of 1965
9 (20 U.S.C. 1087*ll*).”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 for part III of subchapter B of chapter 1 of such Code
12 is amended by inserting after the item relating to section
13 127 the following new item:

“Sec. 127A. Benefits under employer sponsored student loan repayment pro-
grams.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

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