

114TH CONGRESS
2D SESSION

S. 3008

To amend the Internal Revenue Code of 1986 to exclude from gross income certain discharges of student loan indebtedness.

IN THE SENATE OF THE UNITED STATES

MAY 26, 2016

Ms. STABENOW (for herself, Mrs. SHAHEEN, Mr. REED, Ms. BALDWIN, Mr. COONS, Mr. PETERS, Mrs. FEINSTEIN, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain discharges of student loan indebtedness.

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 Relief
5 Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME OF DISCHARGES**
2 **OF STUDENT LOAN INDEBTEDNESS.**

3 (a) IN GENERAL.—Section 108(f) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new paragraph:

6 “(5) DISCHARGES IN CONNECTION WITH STU-
7 DENT LOAN INDEBTEDNESS.—Gross income shall
8 not include—

9 “(A) any amount of a student loan dis-
10 charged in whole or in part by reason of a de-
11 fense asserted pursuant to section 455(h) of the
12 Higher Education Act of 1965 (20 U.S.C.
13 1087e(h)), or

14 “(B) any amount which (but for this sub-
15 paragraph) would be includible in gross income
16 by reason of the discharge (in whole or in part)
17 of a loan to assist the attendance at an institu-
18 tion of higher learning if such discharge was
19 pursuant to an agreement with the Consumer
20 Financial Protection Bureau or any other Fed-
21 eral agency in connection with the closure (or
22 other agency action) relating to such institution
23 or successor institution.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply with respect to any forgiveness
3 of indebtedness after June 12, 2014.

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