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115TH CONGRESS
2D SESSION

H. R. 5493

To amend the Internal Revenue Code of 1986 to exclude from income discharge of medical indebtedness.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2018

Mr. SAM JOHNSON of Texas (for himself and Mr. LARSON of Connecticut) 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 income discharge of medical indebtedness.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medical Debt Tax Relief Act''.

SEC. 2. EXCLUSION OF DISCHARGE OF MEDICAL INDEBTEDNESS.

(a) IN GENERAL.—Section 108 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)(1), by striking ‘‘or’’ in subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ‘‘, or’’ , and by adding at the end the following new subparagraph:

‘‘(F) the indebtedness discharged is qualified medical indebtedness.’’, and

(2) by adding at the end the following new subsection:

‘‘(j) QUALIFIED MEDICAL INDEBTEDNESS.—

‘‘(1) IN GENERAL.—For purposes of this section, the term ‘qualified medical indebtedness’ means indebtedness which was incurred by an individual for—

‘‘(A) diagnosis, cure, mitigation, treatment, or prevention of disease of the taxpayer or the spouse or a dependent of the taxpayer, or for the purpose of affecting any structure or function of the body of the taxpayer or the spouse or a dependent of the taxpayer,

‘‘(B) for transportation primarily for and essential to medical care referred to in subparagraph (A), or

‘‘(C) for qualified long-term care services for the taxpayer or the spouse or a dependent of the taxpayer.

"(2) ADDITIONAL RULES.—Rules similar to the rules of paragraphs (2), (5), (8), (9), and (11) of section 213(d) shall apply for purposes of this subsection.

"(3) TERMS USED IN SECTION 213.—For purposes of this subsection, any term also used in section 213(d)(1) shall have the same meaning as when used in such section.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to indebtedness discharged after the date of enactment of this Act.

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