

115TH CONGRESS
1ST SESSION

S. 122

To prevent homeowners from being forced to pay taxes on forgiven mortgage loan debt.

IN THE SENATE OF THE UNITED STATES

JANUARY 12, 2017

Mr. HELLER (for himself, Ms. STABENOW, Mr. ISAKSON, and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To prevent homeowners from being forced to pay taxes on forgiven mortgage loan debt.

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 “Mortgage Debt Tax
5 Relief Act”.

6 **SEC. 2. EXTENSION OF EXCLUSION FROM GROSS INCOME**
7 **OF DISCHARGE OF QUALIFIED PRINCIPAL**
8 **RESIDENCE INDEBTEDNESS.**

9 (a) IN GENERAL.—Subparagraph (E) of section
10 108(a)(1) of the Internal Revenue Code of 1986 is amend-

1 ed by striking “January 1, 2017” each place it appears
2 and inserting “January 1, 2019”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to indebtedness discharged after
5 December 31, 2016.

○