

117TH CONGRESS  
1ST SESSION

# H. R. 1683

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

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IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2021

Mr. DANNY K. 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 exclude certain student loan forgiveness from gross income.

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. MODIFICATION OF TREATMENT OF STUDENT**

4 **LOAN FORGIVENESS.**

5 (a) IN GENERAL.—Section 108(f) of the Internal  
6 Revenue Code of 1986 is amended by striking paragraph  
7 (5) and inserting the following:

8 “(5) SPECIAL RULE FOR DISCHARGES IN 2021

9 THROUGH 2025.—Gross income does not include any

10 amount which (but for this subsection) would be in-

1       cludible in gross income by reason of the discharge  
2       (in whole or in part) after December 31, 2020, and  
3       before January 1, 2026, of—

4               “(A) any loan provided expressly for post-  
5       secondary educational expenses, regardless of  
6       whether provided through the educational insti-  
7       tution or directly to the borrower, if such loan  
8       was made, insured, or guaranteed by—

9                       “(i) the United States, or an instru-  
10       mentality or agency thereof,

11                      “(ii) a State, territory, or possession  
12       of the United States, or the District of Co-  
13       lumbia, or any political subdivision thereof,  
14       or

15                      “(iii) an eligible educational institu-  
16       tion (as defined in section 25A),

17               “(B) any private education loan (as de-  
18       fined in section 140(a)(7) of the Truth in Lend-  
19       ing Act),

20               “(C) any loan made by any educational or-  
21       ganization described in section 170(b)(1)(A)(ii)  
22       if such loan is made—

23                      “(i) pursuant to an agreement with  
24       any entity described in subparagraph (A)  
25       or any private education lender (as defined

1 in section 140(a) of the Truth in Lending  
2 Act) under which the funds from which the  
3 loan was made were provided to such edu-  
4 cational organization, or

5 “(ii) pursuant to a program of such  
6 educational organization which is designed  
7 to encourage its students to serve in occu-  
8 pations with unmet needs or in areas with  
9 unmet needs and under which the services  
10 provided by the students (or former stu-  
11 dents) are for or under the direction of a  
12 governmental unit or an organization de-  
13 scribed in section 501(c)(3) and exempt  
14 from tax under section 501(a), or

15 “(D) any loan made by an educational or-  
16 ganization described in section 170(b)(1)(A)(ii)  
17 or by an organization exempt from tax under  
18 section 501(a) to refinance a loan to an indi-  
19 vidual to assist the individual in attending any  
20 such educational organization but only if the re-  
21 financing loan is pursuant to a program of the  
22 refinancing organization which is designed as  
23 described in subparagraph (C)(ii).

24 The preceding sentence shall not apply to the dis-  
25 charge of a loan made by an organization described

1 in subparagraph (C) or made by a private education  
2 lender (as defined in section 140(a)(7) of the Truth  
3 in Lending Act) if the discharge is on account of  
4 services performed for either such organization or  
5 for such private education lender.”.

6 (b) EFFECTIVE DATE.—The amendment made by  
7 this section shall apply to discharges of loans after Decem-  
8 ber 31, 2020.

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