

117TH CONGRESS  
1ST SESSION

# H. R. 2077

To amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on taxi medallions from gross income.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2021

Mr. MEEKS (for himself, Mrs. CAROLYN B. MALONEY of New York, Mr. SUOZZI, Ms. VELÁZQUEZ, Miss RICE of New York, Mr. ESPAILLAT, Ms. OCASIO-CORTEZ, Mr. NADLER, Mr. TORRES of New York, Ms. CLARKE of New York, Ms. MENG, Mr. JEFFRIES, Ms. MALLIOTAKIS, and Mr. BOWMAN) 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 discharges of indebtedness on taxi medallions 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. SHORT TITLE.**

4 This Act may be cited as the “Taxi Medallion Loan  
5 Forgiveness Debt Relief Act of 2021”.

1 **SEC. 2. EXCLUSION OF DISCHARGES OF QUALIFIED TAXI**  
2 **MEDALLION INDEBTEDNESS.**

3 (a) IN GENERAL.—Section 108(a)(1) of the Internal  
4 Revenue Code of 1986 is amended by striking “or” at the  
5 end of subparagraph (D), by striking the period at the  
6 end of subparagraph (E) and inserting “, or”, and by in-  
7 serting after subparagraph (E) the following new subpara-  
8 graph:

9 “(F) in the case of a taxpayer other than  
10 a C corporation, the indebtedness discharged is  
11 qualified taxi medallion indebtedness which is  
12 discharged before January 1, 2023.”.

13 (b) SPECIAL RULES RELATING TO QUALIFIED TAXI  
14 MEDALLION INDEBTEDNESS.—Section 108 of such Code  
15 is amended by adding at the end the following new sub-  
16 section:

17 “(j) SPECIAL RULES RELATING TO QUALIFIED TAXI  
18 MEDALLION INDEBTEDNESS.—

19 “(1) BASIS REDUCTION.—The amount excluded  
20 from gross income by reason of subsection (a)(1)(E)  
21 shall be applied to reduce (but not below zero) the  
22 basis of the taxi medallions of the taxpayer that se-  
23 cure the discharged indebtedness.

24 “(2) QUALIFIED TAXI MEDALLION INDEBTED-  
25 NESS.—For purposes of this section—

1           “(A) IN GENERAL.—The term ‘qualified  
2           taxi medallion indebtedness’ means indebted-  
3           ness which—

4                   “(i) is secured by a taxi medallion,  
5                   and

6                   “(ii) with respect to which such tax-  
7                   payer makes an election to have this para-  
8                   graph apply.

9           “(B) LIMITATION.—With respect to a tax-  
10           payer, the aggregate amount treated as quali-  
11           fied taxi medallion indebtedness for any period  
12           shall not exceed \$2,000,000 (\$1,000,000 in the  
13           case of a married individual filing a separate re-  
14           turn).

15           “(C) EXCEPTION FOR CERTAIN DIS-  
16           CHARGES NOT RELATED TO TAXPAYER’S FINAN-  
17           CIAL CONDITION.—Subsection (a)(1)(F) shall  
18           not apply to the discharge of a loan if the dis-  
19           charge is on account of services performed for  
20           the lender or any other factor not directly re-  
21           lated to a decline in the value of the taxi medal-  
22           lion or to the financial condition of the tax-  
23           payer.

24           “(D) ORDERING RULE.—If any loan is dis-  
25           charged, in whole or in part, and only a portion

1 of such loan is qualified tax medallion indebtedness, subsection (a)(1)(F) shall apply only to  
2 so much of the amount discharged as exceeds  
3 the amount of the loan (as determined immediately before such discharge) which is not  
4 qualified tax medallion indebtedness.”.

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6  
7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 108(a)(2) of such Code is amended  
9 by adding at the end the following new subparagraph:  
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11 “(D) TAXI MEDALLION EXCLUSION TAKES  
12 PRECEDENCE OVER INSOLVENCY EXCLUSION  
13 UNLESS ELECTED OTHERWISE.—Paragraph  
14 (1)(B) shall not apply to a discharge to which  
15 paragraph (1)(F) applies unless the taxpayer  
16 elects to apply paragraph (1)(B) in lieu of paragraph (1)(F).”.

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18 (d) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to discharges of indebtedness after  
20 December 31, 2016.

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