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119TH CONGRESS
1ST SESSION

H. R. 2660

To amend the Internal Revenue Code of 1986 to exempt qualified student loan bonds from the volume cap and the alternative minimum tax.

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 2025

Mr. FEENSTRA 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 exempt qualified student loan bonds from the volume cap and the alternative minimum tax.

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

SECTION 1. QUALIFIED STUDENT LOAN BONDS EXEMPT FROM VOLUME CAP AND ALTERNATIVE MINIMUM TAX.

(a) EXEMPTION FROM VOLUME CAP.—

(1) IN GENERAL.—Section 146(g) of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (2) through (6) as paragraphs

(3) through (7), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) any qualified student loan bond,".

(2) SPECIAL RULE FOR APPLICATION OF POOLED FINANCING BOND RULES.—Section 149(f)(6) of such Code is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULE FOR QUALIFIED STUDENT LOAN BONDS.—For purposes of subparagraph (A), in the case of any qualified student loan bond, the term 'ultimate borrower' shall not include any student borrower.".

(3) CONFORMING AMENDMENT.—Section 146(g) of such Code is amended by striking "Paragraphs (4) and (5)" in the last sentence and inserting "Paragraphs (5) and (6)".

(b) EXEMPTION FROM ALTERNATIVE MINIMUM TAX.—Section 57(a)(5)(C) of such Code is amended by redesignating clauses (iv), (v), and (vi) as clauses (v), (vi), and (vii), respectively, and by inserting after clause (iii) the following new clause:

"(iv) EXCEPTION FOR QUALIFIED STUDENT LOAN BONDS.—For purposes of clause (i), the term 'private activity bond' shall not include any bond issued after the date of the enactment of this clause if such bond is a qualified student loan bond (as defined in section 144(b)). The preceding sentence shall not apply to any refunding bond unless such preceding sentence applied to the refunded bond (or in the case of a series of refundings, the original bond).''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

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