

113TH CONGRESS  
2D SESSION

# S. 2292

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 6, 2014

Ms. WARREN (for herself, Mrs. BOXER, Mrs. MURRAY, Mr. DURBIN, Mr. REED, Ms. LANDRIEU, Ms. STABENOW, Mr. BROWN, Mr. WHITEHOUSE, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mrs. SHAHEEN, Mr. MERKLEY, Mr. BEGICH, Mrs. GILLIBRAND, Mr. FRANKEN, Mr. BLUMENTHAL, Mr. SCHATZ, Ms. BALDWIN, Mr. MURPHY, Ms. HIRONO, Ms. HEITKAMP, Mr. MARKEY, Mr. BOOKER, Mr. SANDERS, Mr. LEAHY, and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

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 “Bank on Students  
5 Emergency Loan Refinancing Act”.

1 **SEC. 2. REFINANCING PROGRAMS.**

2 (a) PROGRAM AUTHORITY.—Section 451(a) of the  
3 Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is  
4 amended—

5 (1) by striking “and (2)” and inserting “(2)”;

6 and

7 (2) by inserting “; and (3) to make loans under  
8 section 460A and section 460B” after “section  
9 459A”.

10 (b) REFINANCING PROGRAM.—Part D of title IV of  
11 the Higher Education Act of 1965 (20 U.S.C. 1087a et  
12 seq.) is amended by adding at the end the following:

13 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**  
14 **LOANS.**

15 “(a) IN GENERAL.—Beginning not later than 180  
16 days after the date of enactment of the Bank on Students  
17 Emergency Loan Refinancing Act, the Secretary shall es-  
18 tablish a program under which the Secretary, upon the  
19 receipt of an application from a qualified borrower, re-  
20 issues the borrower’s original loan under this part or part  
21 B as a loan under this part, in accordance with the provi-  
22 sions of this section, in order to permit the borrower to  
23 obtain the interest rate provided under subsection (c).

24 “(b) REISSUING LOANS.—

25 “(1) FEDERAL DIRECT LOANS.—Upon applica-  
26 tion of a qualified borrower, the Secretary shall re-

1 issue a Federal Direct Stafford Loan, a Federal Di-  
2 rect Unsubsidized Stafford Loan, a Federal Direct  
3 PLUS Loan, or a Federal Direct Consolidation  
4 Loan of the qualified borrower, for which the first  
5 disbursement was made, or the application for the  
6 consolidation loan was received before July 1, 2013,  
7 in an amount equal to the sum of—

8 “(A) the unpaid principal, accrued unpaid  
9 interest, and late charges of the original loan;  
10 and

11 “(B) the administrative fee under sub-  
12 section (d)(3).

13 “(2) DISCHARGING AND REISSUING FFEL PRO-  
14 GRAM LOANS AS REFINANCED FEDERAL DIRECT  
15 LOANS.—Upon application of a qualified borrower  
16 for any loan that was made, insured, or guaranteed  
17 under part B and for which the first disbursement  
18 was made, or the application for the consolidation  
19 loan was received, before July 1, 2010, the Secretary  
20 shall reissue such loan as a loan under this part, in  
21 an amount equal to the sum of the unpaid principal,  
22 accrued unpaid interest, and late charges of the  
23 original loan and the administrative fee under sub-  
24 section (d)(3), to the borrower in accordance with  
25 the following:

1           “(A) The Secretary shall pay the proceeds  
2 of such reissued loan to the eligible lender of  
3 the loan made, insured, or guaranteed under  
4 part B, in order to discharge the borrower from  
5 any remaining obligation to the lender with re-  
6 spect to the original loan.

7           “(B) The Secretary shall reissue—

8                   “(i) a loan originally made, insured,  
9 or guaranteed under section 428 as a Fed-  
10 eral Direct Stafford Loan;

11                   “(ii) a loan originally made, insured,  
12 or guaranteed under section 428B as a  
13 Federal Direct PLUS Loan;

14                   “(iii) a loan originally made, insured,  
15 or guaranteed under section 428H as a  
16 Federal Direct Unsubsidized Stafford  
17 Loan; and

18                   “(iv) a loan originally made, insured,  
19 or guaranteed under section 428C as a  
20 Federal Direct Consolidation Loan.

21           “(C) The interest rate for each loan re-  
22 issued under this paragraph shall be the rate  
23 provided under subsection (c).

24           “(c) INTEREST RATES.—

1           “(1) IN GENERAL.—The interest rate for the  
2 reissued Federal Direct Stafford Loans, Federal Di-  
3 rect Unsubsidized Stafford Loans, Federal Direct  
4 PLUS Loans, and Federal Direct Consolidation  
5 Loans, shall be a rate equal to—

6           “(A) in any case where the original loan  
7 was a loan under section 428 or 428H, a Fed-  
8 eral Direct Stafford loan, or a Federal Direct  
9 Unsubsidized Stafford Loan, that was issued to  
10 an undergraduate student, a rate equal to the  
11 rate for Federal Direct Stafford Loans and  
12 Federal Direct Unsubsidized Stafford Loans  
13 issued to undergraduate students for the 12-  
14 month period beginning on July 1, 2013, and  
15 ending on June 30, 2014;

16           “(B) in any case where the original loan  
17 was a loan under section 428 or 428H, a Fed-  
18 eral Direct Stafford Loan, or a Federal Direct  
19 Unsubsidized Stafford Loan, that was issued to  
20 a graduate or professional student, a rate equal  
21 to the rate for Federal Direct Unsubsidized  
22 Stafford Loans issued to graduate or profes-  
23 sional students for the 12-month period begin-  
24 ning on July 1, 2013, and ending on June 30,  
25 2014;

1           “(C) in any case where the original loan  
2           was a loan under section 428B or a Federal Di-  
3           rect PLUS Loan, a rate equal to the rate for  
4           Federal Direct PLUS Loans for the 12-month  
5           period beginning on July 1, 2013, and ending  
6           on June 30, 2014; and

7           “(D) in any case where the original loan  
8           was a loan under section 428C or a Federal Di-  
9           rect Consolidation Loan, a rate equal to the  
10          rate for Federal Direct PLUS Loans for the  
11          12-month period beginning on July 1, 2013,  
12          and ending on June 30, 2014.

13          “(2) FIXED RATE.—The applicable rate of in-  
14          terest determined under paragraph (1) for a re-  
15          issued loan under this section shall be fixed for the  
16          period of the loan.

17          “(d) TERMS AND CONDITIONS OF LOANS.—

18                 “(1) IN GENERAL.—A loan that is reissued  
19                 under this section shall have the same terms and  
20                 conditions as the original loan, except as otherwise  
21                 provided in this section.

22                 “(2) NO AUTOMATIC EXTENSION OF REPAY-  
23                 MENT PERIOD.—Reissuing a loan under this section  
24                 shall not result in the extension of the duration of  
25                 the repayment period of the loan, and the borrower

1 shall retain the same repayment term that was in ef-  
2 fect on the original loan. Nothing in this paragraph  
3 shall be construed to prevent a borrower from elect-  
4 ing a different repayment plan at any time in ac-  
5 cordance with section 455(d)(3).

6 “(3) ADMINISTRATIVE FEE.—The Secretary  
7 shall charge the borrower of a loan reissued under  
8 this section an administrative fee of not more than  
9 0.5 percent of the sum of the unpaid principal, and  
10 accrued unpaid interest and late charges, of the  
11 original loan.

12 “(e) DEFINITION OF QUALIFIED BORROWER.—

13 “(1) IN GENERAL.—For purposes of this sec-  
14 tion, the term ‘qualified borrower’ means a bor-  
15 rower—

16 “(A) of a loan under this part or part B  
17 for which the first disbursement was made, or  
18 the application for a consolidation loan was re-  
19 ceived, before July 1, 2013; and

20 “(B) who meets the eligibility requirements  
21 based on income or debt-to-income ratio estab-  
22 lished by the Secretary.

23 “(2) INCOME REQUIREMENTS.—Not later than  
24 180 days after the date of enactment of the Bank  
25 on Students Emergency Loan Refinancing Act, the

1 Secretary shall establish eligibility requirements  
2 based on income or debt-to-income ratio that take  
3 into consideration providing access to refinancing  
4 under this section for borrowers with the greatest fi-  
5 nancial need.

6 “(f) EXPIRATION OF AUTHORITY.—The Secretary’s  
7 authority to reissue loans under this section shall expire  
8 on the date that is determined in accordance with section  
9 4 of the Bank on Students Emergency Loan Refinancing  
10 Act.

11 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**  
12 **PROGRAM.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—  
15 The term ‘eligible private education loan’ means a  
16 private education loan, as defined in section 140 of  
17 the Truth in Lending Act (15 U.S.C. 1650), that—

18 “(A) was disbursed to the borrower before  
19 July 1, 2013; and

20 “(B) was for the borrower’s own postsec-  
21 ondary educational expenses for an eligible pro-  
22 gram at an institution of higher education par-  
23 ticipating in the loan program under this part,  
24 as of the date that the loan was disbursed.

1           “(2) FEDERAL DIRECT REFINANCED PRIVATE  
2 LOAN.—The term ‘Federal Direct Refinanced Pri-  
3 vate Loan’ means a loan issued under subsection  
4 (b)(1).

5           “(3) PRIVATE EDUCATIONAL LENDER.—The  
6 term ‘private educational lender’ has the meaning  
7 given the term in section 140 of the Truth in Lend-  
8 ing Act (15 U.S.C. 1650).

9           “(4) QUALIFIED BORROWER.—The term ‘quali-  
10 fied borrower’ means an individual who—

11                   “(A) has an eligible private education loan;

12                   “(B) has been current on payments on the  
13 eligible private education loan for the 6 months  
14 prior to the date of the qualified borrower’s ap-  
15 plication for refinancing under this section, and  
16 is in good standing on the loan at the time of  
17 such application;

18                   “(C) is not in default on the eligible pri-  
19 vate education loan or on any loan made, in-  
20 sured, or guaranteed under this part or part B  
21 or E; and

22                   “(D) meets the eligibility requirements  
23 based on income or debt-to-income ratio estab-  
24 lished by the Secretary under subsection (b)(2).

25           “(b) PROGRAM AUTHORIZED.—

1           “(1) IN GENERAL.—The Secretary, in consulta-  
2           tion with the Secretary of the Treasury, shall carry  
3           out a program under which the Secretary, upon ap-  
4           plication by a qualified borrower who has an eligible  
5           private education loan, shall issue such borrower a  
6           loan under this part in accordance with the fol-  
7           lowing:

8                   “(A) The loan issued under this program  
9                   shall be in an amount equal to the sum of the  
10                  unpaid principal, accrued unpaid interest, and  
11                  late charges of the private education loan and  
12                  the origination fee under subsection (f).

13                  “(B) The Secretary shall pay the proceeds  
14                  of the loan issued under this program to the  
15                  private educational lender of the private edu-  
16                  cation loan, in order to discharge the qualified  
17                  borrower from any remaining obligation to the  
18                  lender with respect to the original loan.

19                  “(C) The Secretary shall require that the  
20                  qualified borrower undergo loan counseling that  
21                  provides all of the information and counseling  
22                  required under clauses (i) through (viii) of sec-  
23                  tion 485(b)(1)(A) before the loan is reissued in  
24                  accordance with this section, and before the

1           proceeds of such loan are paid to the private  
2           educational lender.

3           “(D) The Secretary shall issue the loan as  
4           a Federal Direct Refinanced Private Loan,  
5           which shall have the same terms, conditions,  
6           and benefits as a Federal Direct Unsubsidized  
7           Stafford Loan, except as otherwise provided in  
8           this section.

9           “(2) INCOME REQUIREMENTS.—Not later than  
10          180 days after the date of enactment of the Bank  
11          on Students Emergency Loan Refinancing Act, the  
12          Secretary shall establish eligibility requirements  
13          based on income or debt-to-income ratio that take  
14          into consideration providing access to refinancing  
15          under this section for borrowers with the greatest fi-  
16          nancial need.

17          “(c) INTEREST RATE.—

18                 “(1) IN GENERAL.—The interest rate for a  
19          Federal Direct Refinanced Private Loan is—

20                         “(A) in the case of a Federal Direct Refi-  
21                         nanced Private Loan for a private education  
22                         loan originally issued for undergraduate post-  
23                         secondary educational expenses, a rate equal to  
24                         the rate for Federal Direct Stafford Loans and  
25                         Federal Direct Unsubsidized Stafford Loans

1 issued to undergraduate students for the 12-  
2 month period beginning on July 1, 2013, and  
3 ending on June 30, 2014; and

4 “(B) in the case of a Federal Direct Refi-  
5 nanced Private Loan for a private education  
6 loan originally issued for graduate or profes-  
7 sional degree postsecondary educational ex-  
8 penses, a rate equal to the rate for Federal Di-  
9 rect Unsubsidized Stafford Loans issued to  
10 graduate or professional students for the 12-  
11 month period beginning on July 1, 2013, and  
12 ending on June 30, 2014.

13 “(2) COMBINED UNDERGRADUATE AND GRAD-  
14 UATE STUDY LOANS.—If a Federal Direct Refi-  
15 nanced Private Loan is for a private educational  
16 loan originally issued for both undergraduate and  
17 graduate or professional postsecondary educational  
18 expenses, the interest rate shall be a rate equal to  
19 the rate for Federal Direct PLUS Loans for the 12-  
20 month period beginning on July 1, 2013, and ending  
21 on June 30, 2014.

22 “(3) FIXED RATE.—The applicable rate of in-  
23 terest determined under this subsection for a Fed-  
24 eral Direct Refinanced Private Loan shall be fixed  
25 for the period of the loan.

1       “(d) NO INCLUSION IN AGGREGATE LIMITS.—The  
2 amount of a Federal Direct Refinanced Private Loan, or  
3 a Federal Direct Consolidated Loan to the extent such  
4 loan was used to repay a Federal Direct Refinanced Pri-  
5 vate Loan, shall not be included in calculating a bor-  
6 rower’s annual or aggregate loan limits under section 428  
7 or 428H.

8       “(e) NO ELIGIBILITY FOR SERVICE-RELATED RE-  
9 PAYMENT.—Notwithstanding sections 428K(a)(2)(A),  
10 428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct  
11 Refinanced Private Loan, or any Federal Direct Consoli-  
12 dation Loan to the extent such loan was used to repay  
13 a Federal Direct Refinanced Private Loan, shall not be  
14 eligible for any loan repayment or loan forgiveness pro-  
15 gram under section 428K, 428L, or 460 or for the repay-  
16 ment plan for public service employees under section  
17 455(m).

18       “(f) ORIGINATION FEE.—The Secretary shall charge  
19 the borrower of a Federal Direct Refinanced Private Loan  
20 an origination fee that equals the origination fee charged  
21 for Federal Direct Unsubsidized Stafford Loans disbursed  
22 on the date upon which the Federal Direct Refinanced  
23 Private Loan is issued.

24       “(g) EXPIRATION OF AUTHORITY.—The Secretary’s  
25 authority to reissue loans under this section shall expire

1 on the date that is determined in accordance with section  
2 4 of the Bank on Students Emergency Loan Refinancing  
3 Act.”.

4 (c) AMENDMENTS TO PUBLIC SERVICE REPAYMENT  
5 PLAN PROVISIONS.—Section 455(m) of the Higher Edu-  
6 cation Act of 1965 (20 U.S.C. 1087e(m)) is amended—

7 (1) by redesignating paragraphs (3) and (4) as  
8 paragraphs (4) and (5), respectively;

9 (2) by inserting after paragraph (2) the fol-  
10 lowing:

11 “(3) SPECIAL RULES FOR SECTION 460A  
12 LOANS.—

13 “(A) REFINANCED FEDERAL DIRECT  
14 LOANS.—Notwithstanding paragraph (1), in de-  
15 termining the number of monthly payments  
16 that meet the requirements of such paragraph  
17 for an eligible Federal Direct Loan reissued  
18 under section 460A that was originally a loan  
19 under this part, the Secretary shall include all  
20 monthly payments made on the original loan  
21 that meet the requirements of such paragraph.

22 “(B) REFINANCED FFEL LOANS.—In the  
23 case of an eligible Federal Direct Loan reissued  
24 under section 460A that was originally a loan  
25 under part B, only monthly payments made

1 after the date on which the loan was reissued  
2 may be included for purposes of paragraph  
3 (1).”; and

4 (3) in paragraph (4)(A) (as redesignated by  
5 paragraph (1)), by inserting “(including any Federal  
6 Direct Stafford Loan, Federal Direct PLUS Loan,  
7 Federal Direct Unsubsidized Stafford Loan, or Fed-  
8 eral Direct Consolidation Loan reissued under sec-  
9 tion 460A)” before the period at the end.

10 (d) INCOME-BASED REPAYMENT.—Section 493C of  
11 the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
12 amended by adding at the end the following:

13 “(f) SPECIAL RULE FOR REFINANCED LOANS.—

14 “(1) REFINANCED FEDERAL DIRECT AND FFEL  
15 LOANS.—In calculating the period of time during  
16 which a borrower of a loan that is reissued under  
17 section 460A has made monthly payments for pur-  
18 poses of subsection (b)(7), the Secretary shall deem  
19 the period to include all monthly payments made for  
20 the original loan, and all monthly payments made  
21 for the reissued loan, that otherwise meet the re-  
22 quirements of this section.

23 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
24 LOANS.—In calculating the period of time during  
25 which a borrower of a Federal Direct Refinanced

1 Private Loan under section 460B has made monthly  
 2 payments for purposes of subsection (b)(7), the Sec-  
 3 retary shall include only payments—

4 “(A) that are made after the date of the  
 5 issuance of the Federal Direct Refinanced Pri-  
 6 vate Loan; and

7 “(B) that otherwise meet the requirements  
 8 of this section.”.

9 **SEC. 3. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

10 (a) IN GENERAL.—Subchapter A of chapter 1 of the  
 11 Internal Revenue Code of 1986 is amended by adding at  
 12 the end the following new part:

13 **“PART VII—FAIR SHARE TAX ON HIGH-INCOME**  
 14 **TAXPAYERS**

“Sec. 59B. Fair share tax.

15 **“SEC. 59B. FAIR SHARE TAX.**

16 “(a) GENERAL RULE.—

17 “(1) PHASE-IN OF TAX.—In the case of any  
 18 high-income taxpayer, there is hereby imposed for a  
 19 taxable year (in addition to any other tax imposed  
 20 by this subtitle) a tax equal to the product of—

21 “(A) the amount determined under para-  
 22 graph (2), and

23 “(B) a fraction (not to exceed 1)—

1                   “(i) the numerator of which is the ex-  
2                   cess of—

3                               “(I) the taxpayer’s adjusted  
4                               gross income, over

5                               “(II) the dollar amount in effect  
6                               under subsection (c)(1), and

7                               “(ii) the denominator of which is the  
8                               dollar amount in effect under subsection  
9                               (c)(1).

10                   “(2) AMOUNT OF TAX.—The amount of tax de-  
11                   termined under this paragraph is an amount equal  
12                   to the excess (if any) of—

13                               “(A) the tentative fair share tax for the  
14                               taxable year, over

15                               “(B) the excess of—

16                                       “(i) the sum of—

17   “(I) the regular tax liability (as  
18   defined in section 26(b)) for the tax-  
19   able year,

20   “(II) the tax imposed by section  
21   55 for the taxable year, plus

22   “(III) the payroll tax for the tax-  
23   able year, over

1                   “(ii) the credits allowable under part  
2                   IV of subchapter A (other than sections  
3                   27(a), 31, and 34).

4           “(b) TENTATIVE FAIR SHARE TAX.—For purposes  
5 of this section—

6                   “(1) IN GENERAL.—The tentative fair share tax  
7                   for the taxable year is 30 percent of the excess of—

8                           “(A) the adjusted gross income of the tax-  
9                           payer, over

10                           “(B) the modified charitable contribution  
11                           deduction for the taxable year.

12                   “(2) MODIFIED CHARITABLE CONTRIBUTION  
13                   DEDUCTION.—For purposes of paragraph (1)—

14                           “(A) IN GENERAL.—The modified chari-  
15                           table contribution deduction for any taxable  
16                           year is an amount equal to the amount which  
17                           bears the same ratio to the deduction allowable  
18                           under section 170 (section 642(c) in the case of  
19                           a trust or estate) for such taxable year as—

20                                   “(i) the amount of itemized deduc-  
21                                   tions allowable under the regular tax (as  
22                                   defined in section 55) for such taxable  
23                                   year, determined after the application of  
24                                   section 68, bears to

1                   “(ii) such amount, determined before  
2                   the application of section 68.

3                   “(B) TAXPAYER MUST ITEMIZE.—In the  
4                   case of any individual who does not elect to  
5                   itemize deductions for the taxable year, the  
6                   modified charitable contribution deduction shall  
7                   be zero.

8                   “(c) HIGH-INCOME TAXPAYER.—For purposes of this  
9                   section—

10                   “(1) IN GENERAL.—The term ‘high-income tax-  
11                   payer’ means, with respect to any taxable year, any  
12                   taxpayer (other than a corporation) with an adjusted  
13                   gross income for such taxable year in excess of  
14                   \$1,000,000 (50 percent of such amount in the case  
15                   of a married individual who files a separate return).

16                   “(2) INFLATION ADJUSTMENT.—

17                   “(A) IN GENERAL.—In the case of a tax-  
18                   able year beginning after 2015, the \$1,000,000  
19                   amount under paragraph (1) shall be increased  
20                   by an amount equal to—

21                   “(i) such dollar amount, multiplied by

22                   “(ii) the cost-of-living adjustment de-  
23                   termined under section 1(f)(3) for the cal-  
24                   endar year in which the taxable year be-  
25                   gins, determined by substituting ‘calendar

1                   year 2014’ for ‘calendar year 1992’ in sub-  
2                   paragraph (B) thereof.

3                   “(B) ROUNDING.—If any amount as ad-  
4                   justed under subparagraph (A) is not a multiple  
5                   of \$10,000, such amount shall be rounded to  
6                   the next lowest multiple of \$10,000.

7                   “(d) PAYROLL TAX.—For purposes of this section,  
8                   the payroll tax for any taxable year is an amount equal  
9                   to the excess of—

10                   “(1) the taxes imposed on the taxpayer under  
11                   sections 1401, 1411, 3101, 3201, and 3211(a) (to  
12                   the extent such taxes are attributable to the rate of  
13                   tax in effect under section 3101) with respect to  
14                   such taxable year or wages or compensation received  
15                   during the taxable year, over

16                   “(2) the deduction allowable under section  
17                   164(f) for such taxable year.

18                   “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—  
19                   For purposes of this section, in the case of an estate or  
20                   trust, adjusted gross income shall be computed in the  
21                   manner described in section 67(e).

22                   “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-  
23                   TER FOR CERTAIN PURPOSES.—The tax imposed under  
24                   this section shall not be treated as tax imposed by this  
25                   chapter for purposes of determining the amount of any

1 credit under this chapter (other than the credit allowed  
2 under section 27(a)) or for purposes of section 55.”.

3 (b) CONFORMING AMENDMENT.—Section 26(b)(2) of  
4 the Internal Revenue Code of 1986 is amended by redesi-  
5 gnating subparagraphs (C) through (X) as subparagraphs  
6 (D) through (Y), respectively, and by inserting after sub-  
7 paragraph (B) the following new subparagraph:

8 “(C) section 59B (relating to fair share  
9 tax),”.

10 (c) CLERICAL AMENDMENT.—The table of parts for  
11 subchapter A of chapter 1 of the Internal Revenue Code  
12 of 1986 is amended by adding at the end the following  
13 new item:

“PART VII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2014.

17 **SEC. 4. DEFICIT NEUTRAL IMPLEMENTATION OF STUDENT**  
18 **LOAN REFINANCING PROGRAMS.**

19 (a) AMOUNT OF REVENUE.—The Secretary of Edu-  
20 cation shall estimate the amount that is equal to the  
21 amount of the net increase in revenue received in the  
22 Treasury during the 10-year period beginning on the date  
23 of enactment of the Bank on Students Emergency Loan  
24 Refinancing Act attributable to the amendments made by

1 section 3 of the Bank on Students Emergency Loan Refi-  
2 nancing Act.

3 (b) DEFICIT-NEUTRAL TERMINATION OF THE REFI-  
4 NANCING PROGRAM.—The Secretary of Education shall  
5 terminate the refinancing programs carried out under sec-  
6 tions 460A and 460B of the Higher Education Act of  
7 1965 on the date that the net cost of carrying out such  
8 refinancing programs is equal to the amount of additional  
9 revenue estimated under subsection (a).

10 (c) METHODOLOGY.—When estimating cost and rev-  
11 enue under this section, the Secretary shall utilize the ac-  
12 counting methods and assumptions that are used by the  
13 Congressional Budget Office, as of the date of enactment  
14 of this Act, to make such estimations.

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