

105TH CONGRESS  
1ST SESSION

# S. 127

To amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1997

Mr. MOYNIHAN (for himself, Mr. ROTH, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. BRYAN, Mr. CHAFEE, Mr. CRAIG, Mr. D'AMATO, Mr. FORD, Mr. GLENN, Mr. GRASSLEY, Mr. HATCH, Mr. KENNEDY, Mr. KERRY of Massachusetts, Mr. KYL, Mr. LEAHY, Mr. LIEBERMAN, Mr. MCCONNELL, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mr. ROBB, Mr. ROCKEFELLER, Mr. SHELBY, Mr. TORRICELLI, and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, 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 “Employee Educational  
5 Assistance Act”.

1 **SEC. 2. EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE**  
2 **PROGRAMS.**

3 (a) PERMANENT EXTENSION.—Section 127 of the  
4 Internal Revenue Code of 1986 (relating to exclusion for  
5 educational assistance programs) is amended by striking  
6 subsection (d) and by redesignating subsection (e) as sub-  
7 section (d).

8 (b) REPEAL OF LIMITATION ON GRADUATE EDU-  
9 CATION.—The last sentence of section 127(c)(1) of such  
10 Code is amended by striking “, and such term also does  
11 not include any payment for, or the provision of any bene-  
12 fits with respect to, any graduate level course of a kind  
13 normally taken by an individual pursuing a program lead-  
14 ing to a law, business, medical, or other advanced aca-  
15 demic or professional degree”.

16 (c) EFFECTIVE DATES.—

17 (1) EXTENSION.—The amendments made by  
18 subsection (a) shall apply to taxable years beginning  
19 after December 31, 1996.

20 (2) GRADUATE EDUCATION.—The amendment  
21 made by subsection (b) shall apply with respect to  
22 expenses relating to courses beginning after June  
23 30, 1996.

24 (3) EXPEDITED PROCEDURES.—The Secretary  
25 of the Treasury shall establish expedited procedures  
26 for the refund of any overpayment of taxes imposed

1 by the Internal Revenue Code of 1986 which is at-  
2 tributable to amounts excluded from gross income  
3 during 1996 or 1997 under section 127 of such  
4 Code, including procedures waiving the requirement  
5 that an employer obtain an employee's signature  
6 where the employer demonstrates to the satisfaction  
7 of the Secretary that any refund collected by the em-  
8 ployer on behalf of the employee will be paid to the  
9 employee.

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