

107TH CONGRESS
2D SESSION

H. R. 3893

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees under Federal student loan repayment programs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2002

Mr. BURTON of Indiana (for himself, Mr. WAXMAN, Mr. DAVIS of Illinois, Mrs. MORELLA, Mr. TIERNEY, Mr. CUMMINGS, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees under Federal student loan repayment programs.

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. EXCLUSION FOR STUDENT LOAN REPAYMENTS**

4 **BY THE FEDERAL GOVERNMENT.**

5 (a) EXCLUSION FROM GROSS INCOME.—Section
6 108(f) of the Internal Revenue Code of 1986 (relating to

1 student loans) is amended by adding at the end the fol-
2 lowing:

3 “(4) STUDENT LOAN REPAYMENTS BY FED-
4 ERAL GOVERNMENT.—In the case of an individual,
5 gross income does not include any payments made
6 by the Federal Government on behalf of such indi-
7 vidual under section 5379 of title 5, United States
8 Code.”.

9 (b) EXCLUSION FROM WAGES.—

10 (1) IN GENERAL.—Section 3121(a) of such
11 Code (defining wages) is amended—

12 (A) in paragraph (20) by striking “or” at
13 the end;

14 (B) in paragraph (21) by striking the pe-
15 riod at the end and inserting “; or”; and

16 (C) by adding at the end the following:

17 “(22) any payment excluded from gross income
18 under section 108(f)(4) (relating to student loan re-
19 payments by Federal Government).”.

20 (2) SOCIAL SECURITY ACT.—Section 209(a) of
21 the Social Security Act (42 U.S.C. 409(a)) is
22 amended by adding at the end the following:

23 “(19) Any payment excluded from gross income
24 under section 108(f)(4) of the Internal Revenue

1 Code of 1986 (relating to student loan repayments
2 by Federal Government).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to payments made in taxable years
5 beginning after December 31, 2001.

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