

108TH CONGRESS  
1ST SESSION

# H. R. 1056

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.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2003

Mr. TOM DAVIS of Virginia (for himself, Mr. BURTON of Indiana, Mr. WAXMAN, Mr. MCHUGH, Mr. TIERNEY, Mr. HOYER, Mr. LEWIS of Kentucky, Mr. DAVIS of Illinois, Ms. NORTON, Mr. MORAN of Virginia, Mr. WOLF, Mr. RUSH, Mr. TERRY, Mr. CUMMINGS, Mr. OWENS, Mr. ALLEN, Ms. DELAURO, Mr. FARR, Mr. FRANK of Massachusetts, Mr. FROST, Mr. MARKEY, Mr. RYAN of Ohio, Mr. SANDERS, Mr. SERRANO, Mr. WEINER, Mr. WYNN, and Ms. WATSON) 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 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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Generating Oppor-  
3 tunity by Forgiving Educational Debt for Service Act of  
4 2003”.

5 **SEC. 2. EXCLUSION FOR STUDENT LOAN REPAYMENTS BY**  
6 **THE FEDERAL GOVERNMENT.**

7       (a) EXCLUSION FROM GROSS INCOME.—Section  
8 108(f) of the Internal Revenue Code of 1986 (relating to  
9 student loans) is amended by adding at the end the fol-  
10 lowing:

11               “(4) STUDENT LOAN REPAYMENTS BY FED-  
12 ERAL GOVERNMENT.—In the case of an individual,  
13 gross income does not include any payments made  
14 by the Federal Government on behalf of such indi-  
15 vidual under—

16                       “(A) section 5379 of title 5, United States  
17 Code, or

18                       “(B) any other similar Federal program  
19 for its employees.”

20       (b) EXCLUSION FROM WAGES.—

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

23                       (A) in paragraph (20) by striking “or” at  
24 the end;

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

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

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

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

8 “(19) Any payment excluded from gross income  
9 under section 108(f)(4) of the Internal Revenue  
10 Code of 1986 (relating to student loan repayments  
11 by Federal Government).”.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to payments made in taxable years  
14 beginning after December 31, 2002.

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