

110TH CONGRESS
1ST SESSION

S. 1047

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

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2007

Mr. VOINOVICH (for himself, Ms. COLLINS, and Mr. AKAKA) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees and members of the Armed Forces on active duty 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. SHORT TITLE.**

4 This Act may be cited as the “Generating Oppor-
5 tunity by Forgiving Educational Debt for Service Act of
6 2007”.

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

3 (a) EXCLUSION FROM GROSS INCOME.—Section
 4 108(f) of the Internal Revenue Code of 1986 (relating to
 5 student loans) is amended by adding at the end the fol-
 6 lowing:

7 “(5) STUDENT LOAN REPAYMENTS BY FED-
 8 ERAL GOVERNMENT.—In the case of an individual,
 9 gross income does not include any payments made
 10 by the Federal Government on behalf of such indi-
 11 vidual under—

12 “(A)(i) section 5379 of title 5, United
 13 States Code; or

14 “(ii) any other similar Federal program for
 15 its employees; or

16 “(B) section 510(e)(2), chapter 109, or
 17 chapter 1609 of title 10, United States Code.”.

18 (b) EXCLUSION FROM WAGES.—

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

21 (A) in paragraph (21), by striking “or” at
 22 the end;

23 (B) in paragraph (22), by striking the pe-
 24 riod at the end and inserting “; or”; and

25 (C) by inserting after paragraph (22) the
 26 following:

1 “(23) any payment excluded from gross income
2 under section 108(f)(5) (relating to student loan re-
3 payments by the Federal Government).”.

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

7 “(20) Any payment excluded from gross income
8 under section 108(f)(5) of the Internal Revenue
9 Code of 1986 (relating to student loan repayments
10 by Federal Government).”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to payments made on or after the
13 date of enactment of this Act in taxable years ending after
14 such date.

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