

111TH CONGRESS
2D SESSION

H. R. 6357

To amend the Internal Revenue Code of 1986 to exclude from gross income discharge of indebtedness incurred for purposes of paying long-term care expenses.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2010

Ms. ZOE LOFGREN of California 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 discharge of indebtedness incurred for purposes of paying long-term care expenses.

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. CANCELLATION OF INDEBTEDNESS INCURRED**
4 **FOR PAYING LONG-TERM CARE EXPENSES.**

5 (a) IN GENERAL.—Paragraph (2) of section 108(h)
6 of the Internal Revenue Code of 1986 (defining qualified
7 principal residence indebtedness) is amended—

8 (1) by striking the period at the end and insert-
9 ing “, and”,

1 (2) by striking “means acquisition indebted-
2 ness” and inserting the following: “means—

3 “(A) acquisition indebtedness”, and

4 (3) by adding at the end the following new sub-
5 paragraph:

6 “(B) home equity indebtedness (as defined
7 in section 163(h)(3)(C))—

8 “(i) incurred in connection with pay-
9 ing for qualified long-term care services (as
10 defined in section 7702B(c)) of the tax-
11 payer, and

12 “(ii) to the extent the aggregate
13 amount of such indebtedness does not ex-
14 ceed the amount paid by the taxpayer for
15 such long-term care services.”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to discharges of indebtedness on
18 or after January 1, 2011.

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