

113TH CONGRESS
2D SESSION

S. 2429

To amend the Internal Revenue Code of 1986 to extend the exclusion for employer-provided educational assistance to employer payment of interest on certain refinanced student loans.

IN THE SENATE OF THE UNITED STATES

JUNE 4, 2014

Mr. WARNER (for himself and Mr. THUNE) 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 extend the exclusion for employer-provided educational assistance to employer payment of interest on certain refinanced student loans.

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 “Employer Participation
5 in Refinancing Act”.

1 **SEC. 2. EXCLUSION FOR EMPLOYER PAYMENT OF INTER-**
 2 **EST ON CERTAIN REFINANCED STUDENT**
 3 **LOANS.**

4 (a) IN GENERAL.—Paragraph (1) of section 127(c)
 5 of the Internal Revenue Code of 1986 is amended by strik-
 6 ing “and” at the end of subparagraph (A), by redesign-
 7 ating subparagraph (B) as subparagraph (C), and by in-
 8 serting after subparagraph (A) the following new subpara-
 9 graph:

10 “(B) the payment by an employer, whether
 11 paid to the employee or to a lender, of any in-
 12 debtedness of the employee under a qualified
 13 education refinance loan or any interest relating
 14 to such a loan, and”.

15 (b) QUALIFIED EDUCATION REFINANCE LOAN.—
 16 Subsection (c) of section 127 of the Internal Revenue Code
 17 of 1986 is amended by adding at the end the following
 18 new paragraph:

19 “(8) QUALIFIED EDUCATION REFINANCE
 20 LOAN.—The term ‘qualified education refinance
 21 loan’ means any indebtedness used solely to refi-
 22 nance a qualified education loan (within the meaning
 23 of section 221(d)(1)) with respect to which the lend-
 24 er offers the borrower protection in the event of un-
 25 employment or financial hardship (as reasonably de-

1 terminated by the lender, including periods of forbear-
2 ance or career assistance).”.

3 (c) CONFORMING AMENDMENT; DENIAL OF DOUBLE
4 BENEFIT.—Paragraph (1) of section 221(e) of the Inter-
5 nal Revenue Code of 1986 is amended by inserting before
6 the period the following: “, or for which an exclusion is
7 allowable under section 127 to the taxpayer’s employer by
8 reason of the payment by such employer of any indebted-
9 ness on a qualified education loan of the taxpayer”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to expenses paid after December
12 31, 2014.

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