

114TH CONGRESS
1ST SESSION

H. R. 2874

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of indebtedness income on education loans of deceased veterans.

IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2015

Mr. DESJARLAIS (for himself, Mrs. BLACKBURN, Mr. COOPER, Mr. DUNCAN of Tennessee, Mr. FLEISCHMANN, Mr. ROE of Tennessee, Mr. POLIQUIN, Mr. FINCHER, Mrs. BLACK, Mr. JORDAN, and Mr. MASSIE) 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 any discharge of indebtedness income on education loans of deceased veterans.

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 “Andrew P. Carpenter
5 Tax Act”.

1 **SEC. 2. DISCHARGE OF INDEBTEDNESS INCOME ON EDU-**
2 **CATION LOANS OF DECEASED VETERANS.**

3 (a) IN GENERAL.—Subsection (f) of section 108 of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following new paragraph:

6 “(5) DECEASED VETERANS.—

7 “(A) IN GENERAL.—In the case of any
8 student loan described in subparagraph (B) of
9 an individual who is a veteran who served on
10 active duty in the Armed Forces of the United
11 States and who is deceased as a result of a
12 service-connected disability, no amount which
13 (but for this paragraph) would otherwise be in-
14 cludible in gross income by reason of the dis-
15 charge (in whole or in part) of such loan shall
16 be includible in gross income of any cosigner on
17 such loan.

18 “(B) STUDENT LOAN DESCRIBED.—For
19 purposes of subparagraph (A), a student loan
20 described in this subparagraph is a loan that—

21 “(i) is made, insured, or guaranteed
22 under title IV of the Higher Education Act
23 of 1965, or

24 “(ii) is a private education loan (as
25 defined in section 140(a)(7) of the Truth
26 in Lending Act (15 U.S.C. 1650(a)(7))),

1 made by an entity (other than an entity
2 described in paragraph (2)) to an indi-
3 vidual to assist the individual in attending
4 an educational organization described in
5 section 170(b)(1)(A)(ii).

6 “(C) SERVICE-CONNECTED DISABILITY.—

7 For purposes of subparagraph (A), the term
8 ‘service-connected disability’ has the meaning
9 given such term by section 101(16) of title 38,
10 United States Code.”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to discharges of indebtedness oc-
13 curring on or after October 7, 2001.

14 (c) WAIVER OF LIMITATION FOR CREDITS AND RE-
15 FUNDS ATTRIBUTABLE TO THIS ACT.—If the credit or re-
16 fund of any overpayment of tax resulting from the applica-
17 tion of the amendment made by subsection (a) to a period
18 before the date of enactment of this Act is prevented as
19 of such date by the operation of any law or rule of law
20 (including res judicata), such credit or refund may never-
21 theless be allowed or made if the claim therefor is filed
22 before the close of the 1-year period beginning on the date
23 of the enactment of this Act.

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