

114TH CONGRESS  
1ST SESSION

# H. R. 3206

To amend the Internal Revenue Code of 1986 to exclude from gross income student loan indebtedness discharged in connection with closures of educational institutions, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2015

Mr. McDERMOTT (for himself, Ms. FRANKEL of Florida, Ms. MOORE, Mr. VAN HOLLEN, Mr. CAPUANO, Ms. CLARK of Massachusetts, Mr. SCOTT of Virginia, Mr. TAKANO, Mr. CONYERS, Mr. SWALWELL of California, Mr. BLUMENAUER, Mr. GALLEGRO, Mr. RANGEL, Mr. HONDA, Mr. ELLISON, Ms. JUDY CHU of California, Mr. THOMPSON of California, Mr. MURPHY of Florida, Ms. WILSON of Florida, Mrs. TORRES, Mr. FARR, Mrs. NAPOLITANO, Ms. MAXINE WATERS of California, and Ms. BONAMICI) 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 student loan indebtedness discharged in connection with closures of educational institutions, and for other purposes.

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 “Student Tax Relief  
5 Act of 2015”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME OF STUDENT**  
2 **LOAN INDEBTEDNESS CANCELLED, DIS-**  
3 **CHARGED, OR FORGIVEN.**

4 (a) IN GENERAL.—Section 108(f) of the Internal  
5 Revenue Code of 1986 is amended by adding at the end  
6 the following:

7 “(5) DISCHARGES IN CONNECTION WITH STU-  
8 DENT LOAN INDEBTEDNESS CANCELLED, DIS-  
9 CHARGED, OR FORGIVEN.—

10 “(A) IN GENERAL.—Gross income shall  
11 not include—

12 “(i) any amount of a student loan dis-  
13 charged in whole or in part pursuant to  
14 section 437(c) of the Higher Education  
15 Act of 1965 (20 U.S.C. 1087(c)) or by rea-  
16 son of a defense asserted pursuant to sec-  
17 tion 455(h) of such Act (20 U.S.C.  
18 1087e(h)),

19 “(ii) any amount of a loan discharged  
20 under section 464(g) of such Act (20  
21 U.S.C. 1087dd(g)),

22 “(iii) any amount of a loan, and inter-  
23 est on a loan, which is canceled under sec-  
24 tion 465 of such Act (20 U.S.C.  
25 1087ee(a)(5)), or

1           “(iv) any amount which (but for this  
2           subparagraph) would be includible in gross  
3           income by reason of the discharge (in  
4           whole or in part) of a loan to assist the at-  
5           tendance at an institution of higher learn-  
6           ing if such discharge was pursuant to an  
7           agreement with the Consumer Financial  
8           Protection Bureau or any other Federal  
9           agency in connection with the closure (or  
10          other agency action) relating to such insti-  
11          tution or successor institution.

12           “(B) LIMITATION ON EXCLUSION.—Not-  
13          withstanding any other provision of law, no  
14          amount shall be excluded from gross income  
15          after the date of the enactment of this para-  
16          graph by a provision of the Higher Education  
17          Act of 1965.”.

18          (b) EFFECTIVE DATE.—

19           (1) IN GENERAL.—Except as provided by para-  
20          graph (2), the amendment made by subsection (a)  
21          shall apply with respect to any forgiveness of indebt-  
22          edness after June 19, 2014.

23           (2) LIMITATION.—Section 108(f)(5)(B) of the  
24          Internal Revenue Code of 1986, as added by sub-  
25          section (a), shall apply to loans cancelled, dis-

1 charged, or forgiven after the date of the enactment  
2 of this Act.

○