

Union Calendar No. 674

114TH CONGRESS
2^D SESSION

H. R. 5204

[Report No. 114–861, Part I]

To amend the Internal Revenue Code of 1986 and the Higher Education Act of 1965 to provide an exclusion from income for student loan forgiveness for students who have died or become disabled.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2016

Mr. ROSKAM (for himself, Mr. KIND, Mr. COSTELLO of Pennsylvania, and Ms. PINGREE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

DECEMBER 8, 2016

Additional sponsors: Mr. LAMALFA, Mr. RENACCI, Mr. PASCRELL, Mr. SEAN PATRICK MALONEY of New York, Mr. REICHERT, Mr. HULTGREN, Mr. COFFMAN, Mr. DESAULNIER, Mr. BRAT, Mr. PERLMUTTER, Mr. MEEHAN, Mr. MCNERNEY, Mr. POLIQUIN, and Ms. BONAMICI

DECEMBER 8, 2016

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

DECEMBER 8, 2016

The Committee on Education and the Workforce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on May 12, 2016]

A BILL

To amend the Internal Revenue Code of 1986 and the Higher Education Act of 1965 to provide an exclusion from income for student loan forgiveness for students who have died or become disabled.

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 “Stop Taxing Death and*
 5 *Disability Act”.*

6 **SEC. 2. TREATMENT OF STUDENT LOANS DISCHARGED ON**
 7 **ACCOUNT OF DEATH OR DISABILITY.**

8 *(a) AMENDMENTS TO INTERNAL REVENUE CODE OF*
 9 *1986.—*

10 *(1) IN GENERAL.—Section 108(f) of the Internal*
 11 *Revenue Code of 1986 is amended by adding at the*
 12 *end the following new paragraph:*

13 *“(5) DISCHARGES ON ACCOUNT OF DEATH OR*
 14 *DISABILITY.—*

15 *“(A) IN GENERAL.—In the case of an indi-*
 16 *vidual, gross income does not include any*
 17 *amount which (but for this subsection) would be*
 18 *includible in gross income by reasons of the dis-*
 19 *charge (in whole or in part) of any loan de-*
 20 *scribed in subparagraph (B) if such discharge*
 21 *was—*

22 *“(i) pursuant to subsection (a) or (d)*
 23 *of section 437 of the Higher Education Act*
 24 *of 1965 or the parallel benefit under part D*

1 of title IV of such Act (relating to the re-
2 payment of loan liability),

3 “(ii) pursuant to section 464(c)(1)(F)
4 of such Act, or

5 “(iii) otherwise discharged on account
6 of the death or total and permanent dis-
7 ability of the student.

8 “(B) LOANS DESCRIBED.—A loan is de-
9 scribed in this subparagraph if such loan is—

10 “(i) a student loan (as defined in
11 paragraph (2)), or

12 “(ii) a private education loan (as de-
13 fined in section 140(7) of the Consumer
14 Credit Protection Act (15 U.S.C.
15 1650(7))).”.

16 (2) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to discharges of indebtedness
18 after December 31, 2016.

19 (b) AMENDMENT TO THE HIGHER EDUCATION ACT OF
20 1965.—Section 437(d) of the Higher Education Act of 1965
21 (20 U.S.C. 1087(d)) is amended by inserting “or becomes
22 permanently and totally disabled (as determined in accord-
23 ance with regulations of the Secretary), or if the student
24 is unable to engage in any substantial gainful activity by
25 reason of any medically determinable physical or mental

1 *impairment that can be expected to result in death, has*
2 *lasted for a continuous period of not less than 60 months,*
3 *or can be expected to last for a continuous period of not*
4 *less than 60 months” after “dies”.*

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