

113TH CONGRESS
2^D SESSION

H. R. 5578

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 HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2014

Mr. RODNEY DAVIS of Illinois 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 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 redesignig-
7 nating 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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