

117TH CONGRESS  
1ST SESSION

# H. R. 1564

To amend the Internal Revenue Code of 1986 to exclude from taxable income any student loan forgiveness or discharge.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2021

Mr. GOMEZ (for himself and Mr. PASCRELL) 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 taxable income any student loan forgiveness or discharge.

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 Loan Tax Re-  
5 lief Act”.

6 **SEC. 2. MODIFICATION OF TREATMENT OF STUDENT LOAN**  
7 **FORGIVENESS.**

8 (a) IN GENERAL.—Section 108(f) of the Internal  
9 Revenue Code of 1986 is amended—

1           (1) by striking paragraphs (1) and (2) and in-  
2           serting the following:

3           “(1) IN GENERAL.—In the case of an indi-  
4           vidual, gross income does not include any amount  
5           which (but for this subsection) would be includible in  
6           gross income by reasons of the discharge (in whole  
7           or in part) of—

8                   “(A) any loan provided expressly for post-  
9                   secondary educational expenses, regardless of  
10                  whether provided through the educational insti-  
11                  tution or directly to the borrower, if such loan  
12                  was made, insured, or guaranteed by—

13                           “(i) the United States, or an instru-  
14                           mentality or agency thereof,

15                           “(ii) a State, territory, or possession  
16                           of the United States, or the District of Co-  
17                           lumbia, or any political subdivision thereof,  
18                           or

19                           “(iii) any institution of higher edu-  
20                           cation,

21                   “(B) any private education loan (as de-  
22                   fined in section 140(a)(7) of the Truth in Lend-  
23                   ing Act),

1           “(C) any loan made by any educational or-  
2           organization described in section 170(b)(1)(A)(ii)  
3           if such loan is made—

4                   “(i) pursuant to an agreement with  
5                   any entity described in subparagraph (A)  
6                   or any private education lender (as defined  
7                   in section 140(a) of the Truth in Lending  
8                   Act) under which the funds from which the  
9                   loan was made were provided to such edu-  
10                  cational organization, or

11                   “(ii) pursuant to a program of such  
12                   educational organization which is designed  
13                   to encourage its students to serve in occu-  
14                   pations with unmet needs or in areas with  
15                   unmet needs and under which the services  
16                   provided by the students (or former stu-  
17                   dents) are for or under the direction of a  
18                   governmental unit or an organization de-  
19                   scribed in section 501(c)(3) and exempt  
20                   from tax under section 501(a), or

21           “(D) any loan made by an educational or-  
22           organization described in section 170(b)(1)(A)(ii)  
23           or by an organization exempt from tax under  
24           section 501(a) to refinance a loan to an indi-  
25           vidual to assist the individual in attending any

1 such educational organization but only if the re-  
2 financing loan is pursuant to a program of the  
3 refinancing organization which is designed as  
4 described in subparagraph (C)(ii).”,

5 (2) by striking paragraph (5),

6 (3) by redesignating paragraphs (3) and (4) as  
7 paragraphs (2) and (3), respectively, and

8 (4) in paragraph (2), as so redesignated, by—

9 (A) striking “made by an organization de-  
10 scribed in paragraph (2)(D)” and inserting  
11 “made by an organization described in para-  
12 graph (1)(C) or made by a private education  
13 lender (as defined in section 140(a)(7) of the  
14 Truth in Lending Act)”, and

15 (B) inserting “or for such private edu-  
16 cation lender” after “either such organization”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to discharges of loans after Janu-  
19 ary 31, 2020.

○