

117TH CONGRESS
1ST SESSION

H. R. 2077

To amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on taxi medallions from gross income.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2021

Mr. MEEKS (for himself, Mrs. CAROLYN B. MALONEY of New York, Mr. SUOZZI, Ms. VELÁZQUEZ, Miss RICE of New York, Mr. ESPAILLAT, Ms. OCASIO-CORTEZ, Mr. NADLER, Mr. TORRES of New York, Ms. CLARKE of New York, Ms. MENG, Mr. JEFFRIES, Ms. MALLIOTAKIS, and Mr. BOWMAN) 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 discharges of indebtedness on taxi medallions from gross income.

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 “Taxi Medallion Loan
5 Forgiveness Debt Relief Act of 2021”.

1 **SEC. 2. EXCLUSION OF DISCHARGES OF QUALIFIED TAXI**
2 **MEDALLION INDEBTEDNESS.**

3 (a) IN GENERAL.—Section 108(a)(1) of the Internal
4 Revenue Code of 1986 is amended by striking “or” at the
5 end of subparagraph (D), by striking the period at the
6 end of subparagraph (E) and inserting “, or”, and by in-
7 serting after subparagraph (E) the following new subpara-
8 graph:

9 “(F) in the case of a taxpayer other than
10 a C corporation, the indebtedness discharged is
11 qualified taxi medallion indebtedness which is
12 discharged before January 1, 2023.”.

13 (b) SPECIAL RULES RELATING TO QUALIFIED TAXI
14 MEDALLION INDEBTEDNESS.—Section 108 of such Code
15 is amended by adding at the end the following new sub-
16 section:

17 “(j) SPECIAL RULES RELATING TO QUALIFIED TAXI
18 MEDALLION INDEBTEDNESS.—

19 “(1) BASIS REDUCTION.—The amount excluded
20 from gross income by reason of subsection (a)(1)(E)
21 shall be applied to reduce (but not below zero) the
22 basis of the taxi medallions of the taxpayer that se-
23 cure the discharged indebtedness.

24 “(2) QUALIFIED TAXI MEDALLION INDEBTED-
25 NESS.—For purposes of this section—

1 “(A) IN GENERAL.—The term ‘qualified
2 taxi medallion indebtedness’ means indebted-
3 ness which—

4 “(i) is secured by a taxi medallion,
5 and

6 “(ii) with respect to which such tax-
7 payer makes an election to have this para-
8 graph apply.

9 “(B) LIMITATION.—With respect to a tax-
10 payer, the aggregate amount treated as quali-
11 fied taxi medallion indebtedness for any period
12 shall not exceed \$2,000,000 (\$1,000,000 in the
13 case of a married individual filing a separate re-
14 turn).

15 “(C) EXCEPTION FOR CERTAIN DIS-
16 CHARGES NOT RELATED TO TAXPAYER’S FINAN-
17 CIAL CONDITION.—Subsection (a)(1)(F) shall
18 not apply to the discharge of a loan if the dis-
19 charge is on account of services performed for
20 the lender or any other factor not directly re-
21 lated to a decline in the value of the taxi medal-
22 lion or to the financial condition of the tax-
23 payer.

24 “(D) ORDERING RULE.—If any loan is dis-
25 charged, in whole or in part, and only a portion

1 of such loan is qualified taxi medallion indebt-
2 edness, subsection (a)(1)(F) shall apply only to
3 so much of the amount discharged as exceeds
4 the amount of the loan (as determined imme-
5 diately before such discharge) which is not
6 qualified taxi medallion indebtedness.”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 108(a)(2) of such Code is amended
9 by adding at the end the following new subpara-
10 graph:

11 “(D) TAXI MEDALLION EXCLUSION TAKES
12 PRECEDENCE OVER INSOLVENCY EXCLUSION
13 UNLESS ELECTED OTHERWISE.—Paragraph
14 (1)(B) shall not apply to a discharge to which
15 paragraph (1)(F) applies unless the taxpayer
16 elects to apply paragraph (1)(B) in lieu of para-
17 graph (1)(F).”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to discharges of indebtedness after
20 December 31, 2016.

○