

112TH CONGRESS
2D SESSION

H. R. 5044

AN ACT

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of indebtedness income on education loans of deceased veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Andrew P. Carpenter
3 Tax Act”.

4 **SEC. 2. DISCHARGE OF INDEBTEDNESS INCOME ON EDU-
5 CATION LOANS OF DECEASED VETERANS.**

6 (a) IN GENERAL.—Subsection (f) of section 108 of
7 the Internal Revenue Code of 1986 is amended by adding
8 at the end the following new paragraph:

9 “(5) DECEASED VETERANS.—

10 “(A) IN GENERAL.—In the case of any
11 student loan described in subparagraph (B) of
12 an individual who is a veteran who served on
13 active duty in the Armed Forces of the United
14 States and who is deceased as a result of a
15 service-connected disability, no amount which
16 (but for this paragraph) would otherwise be in-
17 cludible in gross income by reason of the dis-
18 charge (in whole or in part) of such loan shall
19 be includible in gross income of any cosigner on
20 such loan.

21 “(B) STUDENT LOAN DESCRIBED.—For
22 purposes of subparagraph (A), a student loan
23 described in this subparagraph is a loan that—

24 “(i) is made, insured, or guaranteed
25 under title IV of the Higher Education Act
26 of 1965, or

1 “(ii) is a private education loan (as
2 defined in section 140(a)(7) of the Truth
3 in Lending Act (15 U.S.C. 1650(a)(7))),
4 made by an entity (other than an entity
5 described in paragraph (2)) to an indi-
6 vidual to assist the individual in attending
7 an educational organization described in
8 section 170(b)(1)(A)(ii).

9 “(C) SERVICE-CONNECTED DISABILITY.—
10 For purposes of subparagraph (A), the term
11 ‘service-connected disability’ has the meaning
12 given such term by section 101(16) of title 38,
13 United States Code.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to discharges of indebtedness oc-
16 curring on or after October 7, 2001.

17 (c) WAIVER OF LIMITATION FOR CREDITS AND RE-
18 FUNDS ATTRIBUTABLE TO THIS ACT.—If the credit or re-
19 fund of any overpayment of tax resulting from the applica-
20 tion of the amendment made by subsection (a) to a period
21 before the date of enactment of this Act is prevented as
22 of such date by the operation of any law or rule of law
23 (including res judicata), such credit or refund may never-
24 theless be allowed or made if the claim therefor is filed

1 before the close of the 1-year period beginning on the date
2 of the enactment of this Act.

3 **SEC. 3. ACCOUNTS IN THE THRIFT SAVINGS FUND SUBJECT**
4 **TO CERTAIN FEDERAL TAX LEVIES.**

5 (a) IN GENERAL.—Section 8437(e)(3) of title 5,
6 United States Code, is amended in the first sentence—

7 (1) by striking “659)” and inserting “659),”;

8 and

9 (2) by striking the period at the end and insert-
10 ing the following: “, and shall be subject to a Fed-
11 eral tax levy under section 6331 of the Internal Rev-
12 enue Code of 1986.”.

13 (b) DISPOSITION OF AMOUNTS.—Any potential rev-
14 enue gain attributable to the enactment of this Act, as
15 determined by the Director of the Congressional Budget
16 Office—

17 (1) shall be deposited in the general fund of the
18 Treasury of the United States; and

19 (2) shall be used solely for purposes of deficit
20 reduction.

Passed the House of Representatives September 19,
2012.

Attest:

Clerk.

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