

114TH CONGRESS
2D SESSION

H. R. 5191

To amend the Internal Revenue Code of 1986 to provide incentives for employers to establish student loan repayment programs and to make contributions to qualified tuition programs on behalf of children of employees.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2016

Mr. DOLD 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 provide incentives for employers to establish student loan repayment programs and to make contributions to qualified tuition programs on behalf of children of employees.

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 “Higher Education
5 Loan Payments for Students and Parents Act” or the
6 “HELP for Students and Parents Act”.

1 **SEC. 2. EXCLUSION FOR EMPLOYER PAYMENT OF QUALI-**
2 **FIED EDUCATION LOANS AND CERTAIN**
3 **QUALIFIED TUITION PLAN CONTRIBUTIONS.**

4 (a) **IN GENERAL.**—Section 127(c)(1) of the Internal
5 Revenue Code of 1986 is amended by striking “and” at
6 the end of subparagraph (A), by redesignating subpara-
7 graph (B) as subparagraph (D), and by inserting after
8 subparagraph (A) the following new subparagraphs:

9 “(B) the payment by an employer of prin-
10 cipal or interest on any qualified education loan
11 (as defined in section 221(d)(1)) incurred by
12 the employee,

13 “(C) any qualified dependent 529 contribu-
14 tions (as defined in section 45S(d)) made by
15 the employer, and”.

16 (b) **EFFECTIVE DATE.**—The amendments made by
17 this section shall apply to payments made by employers
18 after December 31, 2016.

19 **SEC. 3. EMPLOYER PROVIDED HIGHER EDUCATION ASSIST-**
20 **ANCE CREDIT.**

21 (a) **IN GENERAL.**—Subpart D of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 is amended by adding at the end the following new
24 section:

1 **“SEC. 45S. EMPLOYER-PROVIDED HIGHER EDUCATION AS-**
2 **SISTANCE CREDIT.**

3 “(a) IN GENERAL.—For purposes of section 38, the
4 employer-provided higher education assistance credit de-
5 termined under this section for the taxable year is an
6 amount equal to the sum of—

7 “(1) 50 percent of the student loan repayment
8 expenditures of the taxpayer for the taxable year,
9 and

10 “(2) 50 percent of the qualified dependent 529
11 contributions made by the taxpayer for the taxable
12 year.

13 “(b) DOLLAR LIMITATION.—The amount taken into
14 account under each of paragraphs (1) and (2) with respect
15 to any employee for any taxable year shall not exceed
16 \$5,250.

17 “(c) STUDENT LOAN REPAYMENT EXPENDITURE.—
18 For purposes of this section, the term ‘student loan repay-
19 ment expenditure’ means any amount paid by an employer
20 for principal or interest on any qualified education loan
21 (as defined in section 221(d)(1)) incurred by an employee.

22 “(d) QUALIFIED DEPENDENT 529 CONTRIBUTION.—
23 For purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualified de-
25 pendent 529 contribution’ means any amount con-
26 tributed by an employer to a qualified tuition pro-

1 gram the designated beneficiary of which is a quali-
2 fying child of an employee.

3 “(2) QUALIFYING CHILD.—The term ‘qualifying
4 child’ means a child who—

5 “(A) has not attained the age of 19 at the
6 time of the contribution, or

7 “(B) is a student who has not attained the
8 age of 24 at the time of the contribution.

9 “(e) SPECIAL RULES.—

10 “(1) SELF-EMPLOYED INDIVIDUALS.—The term
11 ‘employee’ includes for any year, an individual who
12 is an employee within the meaning of section
13 401(c)(1) (relating to self-employed individuals).

14 “(2) EMPLOYER.—An individual who owns the
15 entire interest in an unincorporated trade or busi-
16 ness shall be treated as his own employer. A part-
17 nership shall be treated as the employer of each
18 partner who is an employee within the meaning of
19 paragraph (2).”.

20 (b) CREDIT PART OF GENERAL BUSINESS CREDIT.—

21 Section 38(b) of such Code is amended by striking “plus”
22 at the end of paragraph (35), by striking the period at
23 the end of paragraph (36) and inserting “, plus”, and by
24 adding at the end the following new paragraph:

1 “(37) the employer-provided higher education
2 assistance credit determined under section 45S.”.

3 (c) DENIAL OF DEDUCTION.—Section 280C of such
4 Code is amended by adding at the end the following new
5 subsection:

6 “(j) EMPLOYER-PROVIDED HIGHER EDUCATION AS-
7 SISTANCE CREDIT.—No deduction shall be allowed for
8 that portion of the student loan repayment expenditures
9 (as defined in section 45S(c)) and qualified dependent 529
10 contributions (as defined in section 45S(d)) otherwise al-
11 lowable as a deduction for the taxable year which is equal
12 to the amount of the credit determined for such taxable
13 year under section 45S with respect to any such expendi-
14 tures or contributions, as the case may be.”.

15 (d) CLERICAL AMENDMENT.—The table of sections
16 for subpart D of part IV of subchapter A of chapter 1
17 of such Code is amended by adding at the end the fol-
18 lowing new item:

“Sec. 45S. Employer-provided higher education assistance credit.”.

19 (e) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2016.

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