

113TH CONGRESS  
2D SESSION

# H. R. 5239

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of student loan indebtedness.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2014

Mr. POCAN (for himself, Ms. WILSON of Florida, Ms. BONAMICI, Mr. VARGAS, Mr. MCGOVERN, and Mr. SARBANES) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of student loan indebtedness.

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. EXCLUSION FROM GROSS INCOME FOR DIS-**  
4 **CHARGE OF STUDENT LOAN INDEBTEDNESS.**

5 (a) IN GENERAL.—Paragraph (1) of section 108(f)  
6 of the Internal Revenue Code of 1986 is amended to read  
7 as follows:

8 “(1) IN GENERAL.—In the case of an indi-  
9 vidual, gross income does not include any amount

1       which (but for this subsection) would be includible in  
2       gross income by reason of the discharge (in whole or  
3       in part) of any student loan if such discharge was  
4       pursuant to—

5               “(A) a provision of such loan under which  
6               all or part of the indebtedness of the individual  
7               would be discharged if the individual worked for  
8               a certain period of time in certain professions  
9               for any of a broad class of employers,

10              “(B) subsections (d)(1)(D) and (e)(7) of  
11              section 455 or section 493C(b)(7) of the Higher  
12              Education Act of 1965 (relating to income con-  
13              tingent and income-based repayment, respec-  
14              tively),

15              “(C) section 437 of the Higher Education  
16              Act of 1965, or

17              “(D) subsections (e)(1)(F) and (g) of sec-  
18              tion 464 of the Higher Education Act of  
19              1965.”.

20       (b) STUDENT LOANS.—Paragraph (2) of section  
21 108(f) of such Code is amended by striking “made by—  
22 ” and all that follows and inserting the following: “. Such  
23 term includes indebtedness used to refinance indebtedness  
24 which qualifies as a student loan under the preceding sen-  
25 tence.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to discharges of indebtedness after  
3 the date of the enactment of this Act.

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