

115TH CONGRESS
2D SESSION

H. R. 5493

To amend the Internal Revenue Code of 1986 to exclude from income discharge of medical indebtedness.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2018

Mr. SAM JOHNSON of Texas (for himself and Mr. LARSON of Connecticut) 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 income discharge of medical 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. SHORT TITLE.**

4 This Act may be cited as the “Medical Debt Tax Re-
5 lief Act”.

6 **SEC. 2. EXCLUSION OF DISCHARGE OF MEDICAL INDEBT-**
7 **EDNESS.**

8 (a) IN GENERAL.—Section 108 of the Internal Rev-
9 enue Code of 1986 is amended—

1 (1) in subsection (a)(1), by striking “or” in
2 subparagraph (D), by striking the period at the end
3 of subparagraph (E) and inserting “, or” , and by
4 adding at the end the following new subparagraph:

5 “(F) the indebtedness discharged is quali-
6 fied medical indebtedness.”, and

7 (2) by adding at the end the following new sub-
8 section:

9 “(j) QUALIFIED MEDICAL INDEBTEDNESS.—

10 “(1) IN GENERAL.—For purposes of this sec-
11 tion, the term ‘qualified medical indebtedness’ means
12 indebtedness which was incurred by an individual
13 for—

14 “(A) diagnosis, cure, mitigation, treat-
15 ment, or prevention of disease of the taxpayer
16 or the spouse or a dependent of the taxpayer,
17 or for the purpose of affecting any structure or
18 function of the body of the taxpayer or the
19 spouse or a dependent of the taxpayer,

20 “(B) for transportation primarily for and
21 essential to medical care referred to in subpara-
22 graph (A), or

23 “(C) for qualified long-term care services
24 for the taxpayer or the spouse or a dependent
25 of the taxpayer.

1 “(2) **ADDITIONAL RULES.**—Rules similar to the
2 rules of paragraphs (2), (5), (8), (9), and (11) of
3 section 213(d) shall apply for purposes of this sub-
4 section.

5 “(3) **TERMS USED IN SECTION 213.**—For pur-
6 poses of this subsection, any term also used in sec-
7 tion 213(d)(1) shall have the same meaning as when
8 used in such section.”.

9 (b) **EFFECTIVE DATE.**—The amendments made by
10 this section shall apply with respect to indebtedness dis-
11 charged after the date of enactment of this Act.

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