

115TH CONGRESS
2D SESSION

S. 3189

To exclude the discharge of certain Federal student loans from the calculation of gross income.

IN THE SENATE OF THE UNITED STATES

JULY 10, 2018

Mr. MERKLEY (for himself and Mr. WYDEN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To exclude the discharge of certain Federal student loans from the calculation of 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 “Income-Based Repay-
5 ment Debt Forgiveness Act”.

6 **SEC. 2. FORGIVENESS OF CERTAIN FEDERAL STUDENT**
7 **LOANS EXCLUDED FROM INCOME TAX.**

8 (a) IN GENERAL.—Paragraph (1) of section 108(f)
9 of the Internal Revenue Code of 1986 is amended by strik-

1 ing “any student loan if” and all that follows and inserting
2 “any student loan if—

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

9 “(B) in the case of a loan made by the
10 United States or an instrumentality or agency
11 thereof, such discharge was pursuant to any
12 Federal program or provision of Federal law
13 which provides for income contingent or in-
14 come-based repayment of such loan.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply to discharges of loans that occur
17 on or after July 1, 2019.

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