

114TH CONGRESS
1ST SESSION

S. 608

To prevent homeowners from being forced to pay taxes on forgiven mortgage loan debt.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2015

Ms. STABENOW (for herself, Mr. HELLER, Mr. MENENDEZ, and Mr. ISAKSON) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To prevent homeowners from being forced to pay taxes on forgiven mortgage loan debt.

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 “Mortgage Forgiveness
5 Tax Relief Act”.

6 **SEC. 2. EXTENSION OF EXCLUSION FROM GROSS INCOME**
7 **OF DISCHARGE OF QUALIFIED PRINCIPAL**
8 **RESIDENCE INDEBTEDNESS.**

9 (a) IN GENERAL.—Subparagraph (E) of section
10 108(a)(1) of the Internal Revenue Code of 1986, as

1 amended by section 102 of the Tax Increase Prevention
2 Act of 2014 (Public Law 113–295), is amended by strik-
3 ing “before January 1, 2015” and inserting “subject to
4 an arrangement that is entered into and evidenced in writ-
5 ing before January 1, 2017”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this section shall apply to any arrangement entered into
8 and evidenced in writing before January 1, 2017.

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