

111TH CONGRESS
1ST SESSION

S. 860

To amend the Internal Revenue Code of 1986 to provide a Federal income tax exclusion for assistance provided to participants in State student loan repayment programs for certain health professionals.

IN THE SENATE OF THE UNITED STATES

APRIL 22, 2009

Mr. NELSON of Nebraska (for himself, Mr. BARRASSO, Mr. MERKLEY, Mr. JOHANNIS, Mr. CARPER, Ms. KLOBUCHAR, and Mr. KAUFMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a Federal income tax exclusion for assistance provided to participants in State student loan repayment programs for certain health professionals.

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 “Health Professionals
5 State Loan Repayment Tax Relief Act of 2009”.

1 **SEC. 2. EXCLUSION FOR ASSISTANCE PROVIDED TO PAR-**
2 **TICIPANTS IN STATE STUDENT LOAN REPAY-**
3 **MENT PROGRAMS FOR CERTAIN HEALTH**
4 **PROFESSIONALS.**

5 (a) IN GENERAL.—Paragraph (4) of section 108(f)
6 of the Internal Revenue Code of 1986 (relating to pay-
7 ments under National Health Service Corps Loan Repay-
8 ment Program and certain State loan repayment pro-
9 grams) is amended to read as follows:

10 “(4) PAYMENTS UNDER NATIONAL HEALTH
11 SERVICE CORPS LOAN REPAYMENT PROGRAM AND
12 CERTAIN STATE LOAN REPAYMENT PROGRAMS.—In
13 the case of an individual, gross income shall not in-
14 clude any amount received under section 338B(g) of
15 the Public Health Service Act, under a State pro-
16 gram described in section 338I of such Act, or under
17 any other State loan repayment or loan forgiveness
18 program that is intended to provide for the in-
19 creased availability of health care services in under-
20 served or health professional shortage areas (as de-
21 termined by such State).”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to amounts received by an indi-
24 vidual in taxable years beginning after December 31,
25 2008.