

AMENDMENT TO RULES COMMITTEE PRINT 118-
10
OFFERED BY MR. FITZPATRICK OF
PENNSYLVANIA

At the end of subtitle B of title VI, add the following new section:

1 **SEC. 6__.** **STUDENT LOAN FORGIVENESS AND TAX EXEMP-**
2 **TIONS IN EXCHANGE FOR MINIMUM SERVICE**
3 **COMMITMENT.**

4 (a) **SERVICE COMMITMENT.**—Upon joining an Armed
5 Force, a member may enter into an agreement with the
6 Secretary of Defense pursuant to which the member
7 agrees to serve for a minimum period of five years and,
8 commencing on the date of the agreement—

9 (1) the Secretary of Defense, in coordination
10 with the Secretary of Education, shall take such
11 steps as are necessary to cancel the outstanding bal-
12 ance of principal and interest due on any loans bor-
13 rowed by such member under part D of the Higher
14 Education Act of 1965 (20 U.S.C. 1087a et seq.) up
15 to an aggregate limit of \$100,000; and

16 (2) the first \$100,000 of compensation received
17 by such member for such service shall be excluded

1 from gross income for purposes of the tax imposed
2 under chapter 1 of the Internal Revenue Code of
3 1986.

4 (b) EFFECT OF NONCOMPLIANCE.—If a member of
5 an Armed Force with an agreement in effect under sub-
6 section (a) separates from the Armed Force before the ex-
7 piration of the five-year period specified in such agree-
8 ment, the member shall repay to the Federal Government
9 an amount equal to the dollar amount of any benefits re-
10 ceived under such subsection as of the date of separation.

