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:

SEC. 6. STUDENT LOAN FORGIVENESS AND TAX EXEMPTIONS IN EXCHANGE FOR MINIMUM SERVICE COMMITMENT.

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

(1) the Secretary of Defense, in coordination with the Secretary of Education, shall take such steps as are necessary to cancel the outstanding balance of principal and interest due on any loans borrowed by such member under part D of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq.) up to an aggregate limit of $100,000; and

(2) the first $100,000 of compensation received by such member for such service shall be excluded
from gross income for purposes of the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

(b) EFFECT OF NONCOMPLIANCE.—If a member of an Armed Force with an agreement in effect under subsection (a) separates from the Armed Force before the expiration of the five-year period specified in such agreement, the member shall repay to the Federal Government an amount equal to the dollar amount of any benefits received under such subsection as of the date of separation.