

**AMENDMENT TO H.R. 529, AS REPORTED
OFFERED BY MR. NUGENT OF FLORIDA**

Add at the end the following:

1 **SEC. 5. STUDENT LOAN PAYMENTS FROM QUALIFIED TUI-**
2 **TION PLANS NOT SUBJECT TO PENALTY TAX.**

3 (a) IN GENERAL.—Section 529(c)(6) of the Internal
4 Revenue Code of 1986 is amended—

5 (1) by inserting “(A) IN GENERAL.—” before
6 “The tax” and moving the text 2 ems to the right;
7 and

8 (2) by adding at the end the following:

9 “(B) STUDENT LOANS.—

10 “(i) IN GENERAL.—Subparagraph (A)
11 shall not apply to any payment or distribu-
12 tion in any taxable year which is includible
13 in gross income and is used to pay prin-
14 ciple or interest on indebtedness incurred
15 solely to pay qualified higher education ex-
16 penses of the designated beneficiary or
17 member of the family of the designated
18 beneficiary which are attributable to edu-
19 cation furnished during a period during
20 which the beneficiary or family member

1 was a student at the institution providing
2 such education.

3 “(ii) REFINANCED LOANS.—For pur-
4 poses of clause (i), the term ‘indebtedness’
5 includes indebtedness used to refinance in-
6 debtedness described in clause (i).”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to payments made in taxable
9 years beginning after December 31, 2014.

