

**AMENDMENT TO
RULES COMMITTEE PRINT 115-39
OFFERED BY M . _____**

Page 99, starting line 23, strike “and 127”.

Page 99, line 24, strike “items” and insert “item”.

Page 99, starting line 24, strike “sections” and insert “section”.

Page 101, strike line 7 and all that follows through page 102, line 2.

Page 104, after line 3, insert the following:

**1 SEC. 1206. EXCLUSION FOR EMPLOYER PAYMENT OF
2 QUALIFIED EDUCATION LOANS.**

3 (a) IN GENERAL.—Section 127(e)(1) is amended by
4 striking “and” at the end of subparagraph (A), by redesignig-
5 nating subparagraph (B) as subparagraph (C), and by in-
6 sserting after subparagraph (A) the following new subpara-
7 graph:

8 (B) the payment by an employer, whether
9 paid to the employee or to a lender, of principal
10 or interest on any qualified education loan (as

1 defined in section 221(d)(1)) incurred by the
2 employee, and”.

3 (b) QUALIFIED EDUCATION LOAN.—Section 127(c)
4 is amended by adding at the end the following new para-
5 graph:

6 “(8) QUALIFIED EDUCATION LOAN.—

7 “(A) IN GENERAL.—The term ‘qualified
8 education loan’ means any indebtedness in-
9 curred by the taxpayer solely to pay qualified
10 higher education expenses—

11 “(i) which are incurred on behalf of
12 the taxpayer, the taxpayer’s spouse, or any
13 dependent of the taxpayer as of the time
14 the indebtedness was incurred,

15 “(ii) which are paid or incurred within
16 a reasonable period of time before or after
17 the indebtedness is incurred, and

18 “(iii) which are attributable to edu-
19 cation furnished during a period during
20 which the recipient was an eligible student.

21 Such term includes indebtedness used to refi-
22 nance indebtedness which qualifies as a quali-
23 fied education loan. The term ‘qualified edu-
24 cation loan’ shall not include any indebtedness
25 owed to a person who is related (within the

1 meaning of section 267(b) or 707(b)(1)) to the
2 taxpayer or to any person by reason of a loan
3 under any qualified employer plan (as defined
4 in section 72(p)(4)) or under any contract re-
5 ferred to in section 72(p)(5).

6 “(B) QUALIFIED HIGHER EDUCATION EX-
7 PENSES.—The term ‘qualified higher education
8 expenses’ means the cost of attendance (as de-
9 fined in section 472 of the Higher Education
10 Act of 1965, 20 U.S.C. 1087ll, as in effect on
11 the day before the date of the enactment of the
12 Taxpayer Relief Act of 1997) at an eligible edu-
13 cational institution, reduced by the sum of—

14 “(i) the amount excluded from gross
15 income under section 127, 135, 529, or
16 530 by reason of such expenses, and

17 “(ii) the amount of any scholarship,
18 allowance, or payment described in section
19 25A(g)(2).

20 For purposes of the preceding sentence, the
21 term ‘eligible educational institution’ has the
22 same meaning given such term by section
23 25A(e)(3), except that such term shall also in-
24 clude an institution conducting an internship or
25 residency program leading to a degree or cer-

1 tificate awarded by an institution of higher edu-
2 cation, a hospital, or a health care facility
3 which offers postgraduate training.

4 ”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to payments made by employers
7 after December 31, 2017.

