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 QUALIFIED EDUCATION LOANS.

2 (a) IN GENERAL.—Section 127(c)(1) is amended by striking “and” at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

3 “(B) the payment by an employer, whether paid to the employee or to a lender, of principal or interest on any qualified education loan (as
defined in section 221(d)(1)) incurred by the employee, and”.

(b) QUALIFIED EDUCATION LOAN.—Section 127(c) is amended by adding at the end the following new paragraph:

“(8) QUALIFIED EDUCATION LOAN.—

“(A) IN GENERAL.—The term ‘qualified education loan’ means any indebtedness incurred by the taxpayer solely to pay qualified higher education expenses—

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

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

“(iii) which are attributable to education furnished during a period during which the recipient was an eligible student. Such term includes indebtedness used to refinance indebtedness which qualifies as a qualified education loan. The term ‘qualified education loan’ shall not include any indebtedness owed to a person who is related (within the
meaning of section 267(b) or 707(b)(1)) to the taxpayer or to any person by reason of a loan under any qualified employer plan (as defined in section 72(p)(4)) or under any contract referred to in section 72(p)(5).

“(B) QUALIFIED HIGHER EDUCATION EXPENSES.—The term ‘qualified higher education expenses’ means the cost of attendance (as defined in section 472 of the Higher Education Act of 1965, 20 U.S.C. 1087ll, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an eligible educational institution, reduced by the sum of—

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

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

For purposes of the preceding sentence, the term ‘eligible educational institution’ has the same meaning given such term by section 25A(e)(3), except that such term shall also include an institution conducting an internship or residency program leading to a degree or cer-
tificate awarded by an institution of higher education, a hospital, or a health care facility which offers postgraduate training.

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