

112TH CONGRESS
2D SESSION

H. R. 5044

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of indebtedness income on education loans of deceased veterans.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

Mr. DESJARLAIS (for himself, Mr. ROE of Tennessee, Mr. WEST, Mr. WALZ of Minnesota, Mrs. BLACKBURN, Mr. COOPER, Mr. HUNTER, Mr. DUNCAN of Tennessee, Mr. FINCHER, Mr. KLINE, Mr. FLEISCHMANN, Mr. MCKEON, and Mrs. BLACK) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income any discharge of indebtedness income on education loans of deceased veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Andrew P. Carpenter
5 Tax Act”.

1 **SEC. 2. DISCHARGE OF INDEBTEDNESS INCOME ON EDU-**
2 **CATION LOANS OF DECEASED VETERANS.**

3 (a) IN GENERAL.—Subsection (f) of section 108 of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following new paragraph:

6 “(5) DECEASED VETERANS.—

7 “(A) IN GENERAL.—In the case of an indi-
8 vidual, gross income shall not include any
9 amount which (but for this paragraph) would
10 be includible in gross income by reason of the
11 discharge (in whole or in part) of any student
12 loan described in subparagraph (B) if, at the
13 time of such discharge, such individual is a vet-
14 eran who served on active duty in the Armed
15 Forces of the United States, and is deceased as
16 a result of a service-connected disability.

17 “(B) STUDENT LOAN DESCRIBED.—For
18 purposes of subparagraph (A), a student loan
19 described in this subparagraph is a loan that—

20 “(i) is made, insured, or guaranteed
21 under title IV of the Higher Education Act
22 of 1965, or

23 “(ii) is a private education loan (as
24 defined in section 140(a)(7) of the Truth
25 in Lending Act (15 U.S.C. 1650(a)(7))),
26 made by an entity (other than an entity

1 described in paragraph (2)) to an indi-
2 vidual to assist the individual in attending
3 an educational organization described in
4 section 170(b)(1)(A)(ii).

5 “(C) SERVICE-CONNECTED DISABILITY.—
6 For purposes of subparagraph (A), the term
7 ‘service-connected disability’ has the meaning
8 given such term by section 101(16) of title 38,
9 United States Code.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to discharges of indebtedness oc-
12 ccurring on or after October 7, 2001.

13 (c) WAIVER OF LIMITATION FOR CREDITS AND RE-
14 FUNDS ATTRIBUTABLE TO THIS ACT.—If the credit or re-
15 fund of any overpayment of tax resulting from the applica-
16 tion of the amendment made by subsection (a) to a period
17 before the date of enactment of this Act is prevented as
18 of such date by the operation of any law or rule of law
19 (including res judicata), such credit or refund may never-
20 theless be allowed or made if the claim therefor is filed
21 before the close of the 1-year period beginning on the date
22 of the enactment of this Act.

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