Suspend the Rules and Pass the Bill, H.R. 5044, with An Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

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

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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".

2

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

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

"(5) DECEASED VETERANS.—

"(A) IN GENERAL.—In the case of any student loan described in subparagraph (B) of an individual who is a veteran who served on active duty in the Armed Forces of the United States and who is deceased as a result of a service-connected disability, no amount which (but for this paragraph) would otherwise be includible in gross income by reason of the discharge (in whole or in part) of such loan shall be includible in gross income of any cosigner on such loan.

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

"(i) is made, insured, or guaranteed under title IV of the Higher Education Act of 1965, or

"(ii) is a private education loan (as defined in section 140(a)(7) of the Truth in Lending Act (15 U.S.C. 1650(a)(7))),

3

1   made by an entity (other than an entity

2   described in paragraph (2)) to an indi-

3   vidual to assist the individual in attending

4   an educational organization described in

5   section 170(b)(1)(A)(ii).

6   ''(C) SERVICE-CONNECTED DISABILITY.—

7   For purposes of subparagraph (A), the term

8   'service-connected disability' has the meaning

9   given such term by section 101(16) of title 38,

10   United States Code.''.

11   (b) EFFECTIVE DATE.—The amendments made by

12 this section shall apply to discharges of indebtedness oc-

13 curring on or after October 7, 2001.

14   (c) WAIVER OF LIMITATION FOR CREDITS AND RE-

15 FUNDS ATTRIBUTABLE TO THIS ACT.—If the credit or re-

16 fund of any overpayment of tax resulting from the applica-

17 tion of the amendment made by subsection (a) to a period

18 before the date of enactment of this Act is prevented as

19 of such date by the operation of any law or rule of law

20 (including res judicata), such credit or refund may never-

21 theless be allowed or made if the claim therefor is filed

22 before the close of the 1-year period beginning on the date

23 of the enactment of this Act.

1 **SEC. 3. ACCOUNTS IN THE THRIFT SAVINGS FUND SUBJECT**

2   **TO CERTAIN FEDERAL TAX LEVIES.**

3   (a) IN GENERAL.—Section 8437(e)(3) of title 5,

4 United States Code, is amended in the first sentence—

5   (1) by striking "659)" and inserting "659),";

6   and

7   (2) by striking the period at the end and insert-

8   ing the following: ", and shall be subject to a Fed-

9   eral tax levy under section 6331 of the Internal Rev-

10   enue Code of 1986.".

11   (b) DISPOSITION OF AMOUNTS.—Any potential rev-

12 enue gain attributable to the enactment of this Act, as

13 determined by the Director of the Congressional Budget

14 Office—

15   (1) shall be deposited in the general fund of the

16   Treasury of the United States; and

17   (2) shall be used solely for purposes of deficit

18   reduction.