S. 2457

To amend the Internal Revenue Code of 1986 to extend the exclusion for employer-provided education assistance to employer payments of student loans.

IN THE SENATE OF THE UNITED STATES

JANUARY 20, 2016

Mr. WARNER (for himself, Mr. THUNE, and Mrs. CAPITO) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to extend the exclusion for employer-provided education assistance to employer payments of student loans.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Employer Participation in Repayment Act of 2016”.

4 SEC. 2. EXCLUSION FOR CERTAIN EMPLOYER PAYMENTS OF STUDENT LOANS.

5 (a) In general.—Paragraph (1) of section 127(c)

6 of the Internal Revenue Code of 1986 is amended by strik-
(a) Redesignation and New Subparagraph.—Subparagraph (A) of section 221(d) of the Internal Revenue Code of 1986 is amended by inserting “and” at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following new subparagraph:

“(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) Conforming Amendment; Denial of Double Benefit.—Paragraph (1) of section 221(e) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: “, or for which an exclusion is allowable under section 127 to the taxpayer’s employer by reason of the payment by such employer of any indebtedness on a qualified education loan of the taxpayer”.

(c) Effective Date.—The amendments made by this section shall apply to payments made after December 31, 2016.