

103D CONGRESS  
1ST SESSION

# S. 354

To amend section 108(f) of the Internal Revenue Code of 1986 to clarify the tax treatment of discharges of indebtedness under certain student loans.

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## IN THE SENATE OF THE UNITED STATES

Mr. STEVENS (for himself and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Finance

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# A BILL

To amend section 108(f) of the Internal Revenue Code of 1986 to clarify the tax treatment of discharges of indebtedness under certain student loans.

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. TREATMENT OF DISCHARGES OF INDEBTED-  
4       NESS UNDER CERTAIN STUDENT LOANS.**

5       (1) IN GENERAL.—Paragraph (1) of section 108(f)  
6       of the Internal Revenue Code of 1986 (relating to student  
7       loans) is amended—

8               (1) by inserting “(A)” after “discharged”, and

10 (b) EFFECTIVE DATE; WAIVER OF STATUTE OF LIM-  
11 ITATIONS.—

18 (A) the period for claiming a credit or re-  
19 fund of any overpayment of tax resulting from  
20 the application of the amendment made by sub-  
21 section (a) shall not expire before the date  
22 which is 1 year after the date of the enactment  
23 of this Act: and

24 (B) if, after the application of subparagraph  
25 graph (A), credit or refund of any overpayment

1 of tax resulting from the application of the  
2 amendment made by subsection (a) is prevented  
3 at any time before the close of such 1-year pe-  
4 riod by the operation of any law or rule of law  
5 (including res judicata), credit or refund of  
6 such overpayment (to the extent attributable to  
7 the application of the amendment made by sub-  
8 section (a)) may, nevertheless, be made or al-  
9 lowed if claim therefore is filed before the close  
10 of such 1-year period.

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