

115TH CONGRESS
1ST SESSION

H. R. 108

To amend the Internal Revenue Code of 1986 to allow a credit for employers providing student loan payment assistance for employees.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 2017

Ms. BROWNLEY of California 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 allow a credit for employers providing student loan payment assistance for employees.

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 “Student Loan Repay-
5 ment Assistance Act of 2017”.

6 **SEC. 2. STUDENT LOAN REPAYMENT PROGRAM CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 section:

1 **“SEC. 45S. STUDENT LOAN REPAYMENT PROGRAM CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 38, the
3 employer-provided student loan repayment credit deter-
4 mined under this section for the taxable year is an amount
5 equal to 10 percent of all qualified student loan repay-
6 ments of the taxpayer for such taxable year.

7 “(b) QUALIFIED STUDENT LOAN REPAYMENT.—For
8 purposes of this section, the term ‘qualified student loan
9 repayment’ means, with respect to any employee of an em-
10 ployer, so much of the amounts paid under a student loan
11 repayment program by the employer on behalf of such em-
12 ployee as does not exceed \$500 per month.

13 “(c) STUDENT LOAN REPAYMENT PROGRAM.—For
14 purposes of this section—

15 “(1) IN GENERAL.—A student loan repayment
16 program is a separate written plan of an employer
17 for the exclusive benefit of his employees to provide
18 such employees with student loan payment assist-
19 ance which meets the requirements of paragraphs
20 (2) through (5).

21 “(2) DIRECT PAYMENT FOR EMPLOYEE EDU-
22 CATION LOANS.—A plan meets the requirements of
23 this paragraph if payments under the plan are made
24 on behalf of the employee directly to the lender or
25 loan servicer of a qualified education loan (as de-
26 fined in section 221(d)) which was incurred by the

1 employee and is attributable to education furnished
2 to such employee.

3 “(3) PARTICIPATION AND NON-DISCRIMINA-
4 TION.—A plan meets the requirements of this para-
5 graph if the employer makes the program (and as-
6 sistance provided thereunder) widely available to em-
7 ployees (determined under such regulations as the
8 Secretary shall prescribe to prevent plans from dis-
9 criminating in favor of employees who are highly
10 compensated employees (within the meaning of sec-
11 tion 414(q)).

12 “(4) REPORTS.—A plan meets the requirements
13 of this paragraph if, for any taxable year for which
14 a credit is allowed under this section, the employer
15 reports to the Secretary (at such time and in such
16 form and manner as the Secretary may prescribe)
17 the number of employees utilizing the plan, the num-
18 ber of employees eligible to participate in the plan,
19 and the terms of such plan.

20 “(5) NOTICE.—A plan meets the requirements
21 of this paragraph if reasonable notification of the
22 availability and terms of the program are provided
23 to all eligible employees.”.

24 (b) CREDIT MADE PART OF GENERAL BUSINESS
25 CREDIT.—Section 38(b) of such Code is amended by strik-

1 ing “plus” at the end of paragraph (35), by striking the
2 period at the end of paragraph (36) and inserting “, plus”,
3 and by adding at the end the following new paragraph:

4 “(37) the employer-provided student loan re-
5 payment credit determined under section 45S(a).”.

6 (c) CREDIT REFUNDABLE FOR CERTAIN SMALL EM-
7 PLOYERS.—

8 (1) IN GENERAL.—Section 38(c) of such Code
9 is amended by redesignating paragraph (6) as para-
10 graph (7) and by inserting after paragraph (5) the
11 following new paragraph:

12 “(6) SPECIAL RULES FOR EMPLOYER-PROVIDED
13 STUDENT LOAN REPAYMENT CREDIT.—

14 “(A) IN GENERAL.—In the case of the em-
15 ployer-provided student loan repayment credit
16 determined under section 45S(a) with respect to
17 a specified small business or any organization
18 exempt from tax under section 501(a)—

19 “(i) this section and section 39 shall
20 be applied separately with respect to such
21 credits,

22 “(ii) in applying paragraph (1) to
23 such credits—

24 “(I) the tentative minimum tax
25 shall be treated as being zero, and

1 “(II) the limitation under para-
2 graph (1) (as modified by subclause
3 (I)) shall be reduced by the credit al-
4 lowed under subsection (a) for the
5 taxable year (other than the employer-
6 provided student loan repayment cred-
7 it), and

8 “(iii) the amount of such credits in
9 excess of the limitation under paragraph
10 (1) (as modified by subparagraph (B)(ii))
11 shall be treated as a credit under subpart
12 C.

13 “(B) SPECIFIED SMALL BUSINESS.—For
14 purposes of this paragraph, the term ‘specified
15 small business’ means—

16 “(i) an eligible small business (deter-
17 mined by substituting ‘\$5,000,000’ for
18 ‘\$50,000,000’ in paragraph (5)(C)), or

19 “(ii) a corporation, partnership, or
20 sole proprietorship which during the pre-
21 ceding taxable year employed not more
22 than 100 full-time employees.

23 For purposes of clause (ii), an employee shall
24 be considered full-time if such employee is em-
25 ployed at least 30 hours per week for 20 or

1 more calendar weeks in the taxable year and all
2 members of the same controlled group of cor-
3 porations (within the meaning of section 52(a))
4 and all persons under common control (within
5 the meaning of section 52(b)) shall be treated
6 as 1 person.”.

7 (2) CONFORMING AMENDMENTS.—

8 (A) Section 38(c)(2)(A)(ii)(II) of such
9 Code is amended by striking “and the specified
10 credits” and inserting “the specified credits,
11 and the employer-provided student loan repay-
12 ment credit determined under section 45S(a)”.

13 (B) Section 38(c)(3)(A)(ii)(II) of such
14 Code is amended by striking “and the specified
15 credits” and inserting “, the specified credits,
16 and the employer-provided student loan repay-
17 ment credit determined under section 45S(a)”.

18 (C) Section 38(c)(4)(A)(ii)(II) of such
19 Code is amended by inserting “and the em-
20 ployer-provided student loan repayment credit
21 determined under section 45S(a)” after “speci-
22 fied credits”.

23 (D) Section 1324(b)(2) of title 31, United
24 States Code, is amended by inserting
25 “38(c)(6),” after “36B,”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 of such Code is amended by adding at the end the fol-
4 lowing new item:

“Sec 45S. Student loan repayment program credit.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.

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