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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.

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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

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# A BILL

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

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Student Loan Repayment Assistance Act of 2017''.

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

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

**"SEC. 45S. STUDENT LOAN REPAYMENT PROGRAM CREDIT.**

''(a) IN GENERAL.—For purposes of section 38, the employer-provided student loan repayment credit determined under this section for the taxable year is an amount equal to 10 percent of all qualified student loan repayments of the taxpayer for such taxable year.

''(b) QUALIFIED STUDENT LOAN REPAYMENT.—For purposes of this section, the term 'qualified student loan repayment' means, with respect to any employee of an employer, so much of the amounts paid under a student loan repayment program by the employer on behalf of such employee as does not exceed $500 per month.

''(c) STUDENT LOAN REPAYMENT PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—A student loan repayment program is a separate written plan of an employer for the exclusive benefit of his employees to provide such employees with student loan payment assistance which meets the requirements of paragraphs (2) through (5).

''(2) DIRECT PAYMENT FOR EMPLOYEE EDUCATION LOANS.—A plan meets the requirements of this paragraph if payments under the plan are made on behalf of the employee directly to the lender or loan servicer of a qualified education loan (as defined in section 221(d)) which was incurred by the

employee and is attributable to education furnished to such employee.

''(3) PARTICIPATION AND NON-DISCRIMINATION.—A plan meets the requirements of this paragraph if the employer makes the program (and assistance provided thereunder) widely available to employees (determined under such regulations as the Secretary shall prescribe to prevent plans from discriminating in favor of employees who are highly compensated employees (within the meaning of section 414(q))).

''(4) REPORTS.—A plan meets the requirements of this paragraph if, for any taxable year for which a credit is allowed under this section, the employer reports to the Secretary (at such time and in such form and manner as the Secretary may prescribe) the number of employees utilizing the plan, the number of employees eligible to participate in the plan, and the terms of such plan.

''(5) NOTICE.—A plan meets the requirements of this paragraph if reasonable notification of the availability and terms of the program are provided to all eligible employees.''.

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

ing ''plus'' at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting '', plus'', and by adding at the end the following new paragraph:

''(37) the employer-provided student loan repayment credit determined under section 45S(a).''.

(c) CREDIT REFUNDABLE FOR CERTAIN SMALL EMPLOYERS.—

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

''(6) SPECIAL RULES FOR EMPLOYER-PROVIDED STUDENT LOAN REPAYMENT CREDIT.—

''(A) IN GENERAL.—In the case of the employer-provided student loan repayment credit determined under section 45S(a) with respect to a specified small business or any organization exempt from tax under section 501(a)—

''(i) this section and section 39 shall be applied separately with respect to such credits,

''(ii) in applying paragraph (1) to such credits—

''(I) the tentative minimum tax shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the employer-provided student loan repayment credit), and

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

"(B) SPECIFIED SMALL BUSINESS.—For purposes of this paragraph, the term 'specified small business' means—

"(i) an eligible small business (determined by substituting '$5,000,000' for '$50,000,000' in paragraph (5)(C)), or

"(ii) a corporation, partnership, or sole proprietorship which during the preceding taxable year employed not more than 100 full-time employees.

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

more calendar weeks in the taxable year and all members of the same controlled group of corporations (within the meaning of section 52(a)) and all persons under common control (within the meaning of section 52(b)) shall be treated as 1 person.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 38(c)(2)(A)(ii)(II) of such Code is amended by striking ''and the specified credits'' and inserting ''the specified credits, and the employer-provided student loan repayment credit determined under section 45S(a)''.

(B) Section 38(c)(3)(A)(ii)(II) of such Code is amended by striking ''and the specified credits'' and inserting '', the specified credits, and the employer-provided student loan repayment credit determined under section 45S(a)''.

(C) Section 38(c)(4)(A)(ii)(II) of such Code is amended by inserting ''and the employer-provided student loan repayment credit determined under section 45S(a)'' after ''specified credits''.

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

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

"Sec 45S. Student loan repayment program credit.".

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

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