

117TH CONGRESS  
1ST SESSION

# H. R. 902

To amend the Internal Revenue Code of 1986 to expand the exclusion for employer-provided educational assistance and to expand the availability of the student loan interest deduction.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2021

Mr. STIVERS (for himself and Miss RICE of New York) 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 expand the exclusion for employer-provided educational assistance and to expand the availability of the student loan interest deduction.

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 “Decreasing Employees  
5 Burdensome Taxes from Student Loans Act of 2021” or  
6 the “DEBT Act of 2021”.

1 **SEC. 2. EXCLUSION FOR EMPLOYER PAYMENT OF QUALI-**  
2 **FIED EDUCATION LOANS.**

3 (a) IN GENERAL.—Section 127(c)(1) of the Internal  
4 Revenue Code of 1986 is amended by striking “and” at  
5 the end of subparagraph (A), by redesignating subpara-  
6 graph (B) as subparagraph (C), and by inserting after  
7 subparagraph (A) the following new subparagraph:

8 “(B) the payment by an employer, whether  
9 paid to the employee or to a lender, of principal  
10 or interest on any qualified education loan (as  
11 defined in section 221(d)(1)) incurred by the  
12 employee, and”.

13 (b) DENIAL OF DOUBLE BENEFIT.—Section  
14 221(e)(1) of such Code is amended by inserting before the  
15 period at the end the following: “, or for any amount  
16 which is excludable from gross income under section  
17 127(c)(1)(B)”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to payments made by employers  
20 after December 31, 2021.

21 **SEC. 3. INCREASE IN MAXIMUM AMOUNT EXCLUDABLE**  
22 **UNDER EDUCATIONAL ASSISTANCE PRO-**  
23 **GRAMS.**

24 (a) IN GENERAL.—The text of paragraph (2) of sec-  
25 tion 127(a) of the Internal Revenue Code of 1986 is

1 amended by striking “\$5,250” both places it appears and  
2 inserting “\$10,000”.

3 (b) CONFORMING AMENDMENT.—The heading for  
4 section 127(a)(2) of such Code is amended by striking  
5 “\$5,250 MAXIMUM” and inserting “MAXIMUM”.

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to payments made by employers  
8 after December 31, 2021.

9 **SEC. 4. MODIFICATION OF DEDUCTION FOR INTEREST ON**  
10 **EDUCATION LOANS.**

11 (a) INCREASED MAXIMUM DEDUCTION.—Section  
12 221(b)(1) of the Internal Revenue Code of 1986 is amend-  
13 ed by striking “\$2,500” and inserting “\$5,000”.

14 (b) INCREASED INCOME LIMITATION.—Section  
15 221(b)(2)(B)(ii) of such Code is amended by striking  
16 “\$15,000 (\$30,000” and inserting “\$85,000 (\$115,000”.

17 (c) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2021.

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