

STATE OF NEW YORK

4491

2017-2018 Regular Sessions

IN SENATE

February 16, 2017

Introduced by Sen. FELDER -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to providing a reduction of federal adjusted gross income, for state personal income tax purposes, the amount of any student loan discharged as a result of the death or disability of the borrower

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 42 to read as follows:

(42) (A) The amount of any student loan that is discharged, whether in whole or in part, if such discharge was:

(i) pursuant to subsection (a) or (d) of section 437 of the Higher Education Act of 1965 or the parallel benefit provided pursuant to part D of title IV of such act;

(ii) pursuant to section 464(c)(1)(F) of the Higher Education Act of 1965; or

(iii) otherwise discharged on account of the death or total and permanent disability of the person on whose behalf the indebtedness was incurred.

(B) For the purposes of this paragraph, "student loan" means:

(i) a student loan as defined in section 108(f)(2) of the Internal Revenue Code of 1986; or

(ii) a private education loan, as defined in section 140(7) of the Consumer Credit Protection Act.

§ 2. This act shall take effect immediately and shall apply to the taxable year in which it takes effect and to subsequent taxable years.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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