

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:

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

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

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

8 (ii) pursuant to section 464(c)(1)(F) of the Higher Education Act of
9 1965; or

10 (iii) otherwise discharged on account of the death or total and perma-
11 nent disability of the person on whose behalf the indebtedness was
12 incurred.

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

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

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

18 § 2. This act shall take effect immediately and shall apply to the
19 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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