STATE OF NEW YORK

10698

IN ASSEMBLY

September 9, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Reyes) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to including certain student loan forgiveness amounts as a reduction of federal adjusted gross income

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

Section 1. This act shall be known and may be cited as the "Tax-free debt forgiveness act".

§ 2. Subparagraph (A) of paragraph 42 of subsection (c) of section 612 of the tax law, as added by chapter 456 of the laws of 2017, is amended to read as follows:

(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**; or**

(iv) any amount discharged or forgiven by the secretary of education pursuant to authorization provided by 20 U.S.C. § 1098aa, 1098bb, 1098cc, 1098dd or 1098ee.

§ 3. This act shall take effect immediately, and shall apply to the taxable year in which it shall take effect and to all subsequent taxable years.

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

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