STATE OF NEW YORK

4421

2023-2024 Regular Sessions

IN ASSEMBLY

February 14, 2023

Introduced by M. of A. REYES, KELLES, EPSTEIN, CRUZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to excluding certain student loan discharge or forgiveness amounts from state income tax

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. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 47 to read as follows:

(47) The amount of any student loan discharged or forgiven by the secretary of education pursuant to authorization provided by 20 U.S.C. § 1098aa, 1098bb, 1098cc, 1098dd or 1098ee shall not be considered taxable income for the purpose of calculating New York adjusted gross income, irrespective of whether it is considered taxable income for federal income tax purposes.

§ 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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