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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to allow a credit for employers providing student loan payment assistance for employees.

IN THE HOUSE OF REPRESENTATIVES

Ms. BROWNLEY of California introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit for employers providing student loan payment assistance for employees.

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 “Student Loan Repay-
5 ment Assistance Act of 2019”.

6 **SEC. 2. STUDENT LOAN REPAYMENT PROGRAM CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45T. STUDENT LOAN REPAYMENT PROGRAM CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, the
5 employer-provided student loan repayment credit deter-
6 mined under this section for the taxable year is an amount
7 equal to 10 percent of all qualified student loan repay-
8 ments of the taxpayer for such taxable year.

9 “(b) QUALIFIED STUDENT LOAN REPAYMENT.—For
10 purposes of this section, the term ‘qualified student loan
11 repayment’ means, with respect to any employee of an em-
12 ployer, so much of the amounts paid under a student loan
13 repayment program by the employer on behalf of such em-
14 ployee as does not exceed \$500 per month.

15 “(c) STUDENT LOAN REPAYMENT PROGRAM.—For
16 purposes of this section—

17 “(1) IN GENERAL.—A student loan repayment
18 program is a separate written plan of an employer
19 for the exclusive benefit of his employees to provide
20 such employees with student loan payment assist-
21 ance which meets the requirements of paragraphs
22 (2) through (5).

23 “(2) DIRECT PAYMENT FOR EMPLOYEE EDU-
24 CATION LOANS.—A plan meets the requirements of
25 this paragraph if payments under the plan are made

1 on behalf of the employee directly to the lender or
2 loan servicer of a qualified education loan (as de-
3 fined in section 221(d)) which was incurred by the
4 employee and is attributable to education furnished
5 to such employee.

6 “(3) PARTICIPATION AND NON-DISCRIMINA-
7 TION.—A plan meets the requirements of this para-
8 graph if the employer makes the program (and as-
9 sistance provided thereunder) widely available to em-
10 ployees (determined under such regulations as the
11 Secretary shall prescribe to prevent plans from dis-
12 criminating in favor of employees who are highly
13 compensated employees (within the meaning of sec-
14 tion 414(q))).

15 “(4) REPORTS.—A plan meets the requirements
16 of this paragraph if, for any taxable year for which
17 a credit is allowed under this section, the employer
18 reports to the Secretary (at such time and in such
19 form and manner as the Secretary may prescribe)
20 the number of employees utilizing the plan, the num-
21 ber of employees eligible to participate in the plan,
22 and the terms of such plan.

23 “(5) NOTICE.—A plan meets the requirements
24 of this paragraph if reasonable notification of the

1 availability and terms of the program are provided
2 to all eligible employees.”.

3 (b) CREDIT MADE PART OF GENERAL BUSINESS
4 CREDIT.—Section 38(b) of such Code is amended by strik-
5 ing “plus” at the end of paragraph (31), by striking the
6 period at the end of paragraph (32) and inserting “, plus”,
7 and by adding at the end the following new paragraph:

8 “(33) the employer-provided student loan re-
9 payment credit determined under section 45T(a).”.

10 (c) CREDIT REFUNDABLE FOR CERTAIN SMALL EM-
11 PLOYERS.—

12 (1) IN GENERAL.—Section 38(c) of such Code
13 is amended by redesignating paragraph (6) as para-
14 graph (7) and by inserting after paragraph (5) the
15 following new paragraph:

16 “(6) SPECIAL RULES FOR EMPLOYER-PROVIDED
17 STUDENT LOAN REPAYMENT CREDIT.—

18 “(A) IN GENERAL.—In the case of the em-
19 ployer-provided student loan repayment credit
20 determined under section 45T(a) with respect
21 to a specified small business or any organiza-
22 tion exempt from tax under section 501(a)—

23 “(i) this section and section 39 shall
24 be applied separately with respect to such
25 credits,

1 “(ii) in applying paragraph (1) to
2 such credits—

3 “(I) the tentative minimum tax
4 shall be treated as being zero, and

5 “(II) the limitation under para-
6 graph (1) (as modified by subclause
7 (I)) shall be reduced by the credit al-
8 lowed under subsection (a) for the
9 taxable year (other than the employer-
10 provided student loan repayment cred-
11 it), and

12 “(iii) the amount of such credits in
13 excess of the limitation under paragraph
14 (1) (as modified by subparagraph (B)(ii))
15 shall be treated as a credit under subpart
16 C.

17 “(B) SPECIFIED SMALL BUSINESS.—For
18 purposes of this paragraph, the term ‘specified
19 small business’ means—

20 “(i) an eligible small business (deter-
21 mined by substituting ‘\$5,000,000’ for
22 ‘\$50,000,000’ in paragraph (5)(C)), or

23 “(ii) a corporation, partnership, or
24 sole proprietorship which during the pre-

1 ceding taxable year employed not more
2 than 100 full-time employees.

3 For purposes of clause (ii), an employee shall
4 be considered full-time if such employee is em-
5 ployed at least 30 hours per week for 20 or
6 more calendar weeks in the taxable year and all
7 members of the same controlled group of cor-
8 porations (within the meaning of section 52(a))
9 and all persons under common control (within
10 the meaning of section 52(b)) shall be treated
11 as 1 person.”.

12 (2) CONFORMING AMENDMENTS.—

13 (A) Section 38(c)(2)(A)(ii)(II) of such
14 Code is amended by striking “and the specified
15 credits” and inserting “the specified credits,
16 and the employer-provided student loan repay-
17 ment credit determined under section 45T(a)”.

18 (B) Section 38(c)(4)(A)(ii)(II) of such
19 Code is amended by inserting “and the em-
20 ployer-provided student loan repayment credit
21 determined under section 45T(a)” after “speci-
22 fied credits”.

23 (C) Section 1324(b)(2) of title 31, United
24 States Code, is amended by inserting
25 “38(c)(6),” after “36B,”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 of such Code is amended by adding at the end the fol-
4 lowing new item:

“Sec 45T. Student loan repayment program credit.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.