

SENATE RESOLUTION No. 75

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:
Senator PATRICK J. DIEGNAN, JR.
District 18 (Middlesex)

SYNOPSIS

Urges President and Congress of US to enact H.R. 500 which prevents IRS from collecting taxes on amount of student loan forgiven for deceased veterans.

CURRENT VERSION OF TEXT

As introduced.



SR75 DIEGNAN

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1 **A SENATE RESOLUTION** urging the President and Congress to enact
2 H.R. 500 which prevents the IRS from collecting taxes on any
3 amount of student loan forgiven for deceased veterans.

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5 **WHEREAS**, Each member of the United States Armed Forces serves
6 our country to protect the citizens of the United States and, in 2015,
7 there were over one million active duty members of the Armed
8 Forces; and

9 **WHEREAS**, If a service member sustains an injury or illness while on
10 active duty they may be discharged and return home to pursue
11 higher educational opportunities; and

12 **WHEREAS**, Many service members embrace the opportunity to pursue
13 higher education through the various tuition assistance programs
14 and college funds offered to service members, which may be used
15 in combination with federal and private student loans to pay for the
16 cost of college; and

17 **WHEREAS**, If a service member loses his or her life as a result of an
18 injury or illness sustained while on active duty, the federal
19 education loans are forgiven under the Higher Education Act and
20 private loan companies can choose to forgive the education loans;
21 and

22 **WHEREAS**, When an educational loan is forgiven the Internal Revenue
23 Code categorizes the amount of the loan as taxable gross income for
24 a cosigner on the loan, which can include both family and friends of
25 the deceased service member; and

26 **WHEREAS**, Taxing loan forgiveness as income can be burdensome to
27 family members and friends especially during a time when they are
28 grieving the loss of their loved one; and

29 **WHEREAS**, Families of veterans who lost their lives as a result of an
30 illness or injury sustained while serving on active duty have already
31 sacrificed so much for the United States; and

32 **WHEREAS**, The federal bill H.R.500, named the “Andrew P. Carpenter
33 Tax Act,” would amend the Internal Revenue Code to prevent the
34 Internal Revenue Service from collecting taxes on any amount of
35 student loan forgiven; and

36 **WHEREAS**, The federal bill will help to ease the financial burden for
37 individuals who are already grieving for the loss of their loved one;
38 now, therefore,

39

40 **BE IT RESOLVED** *by the Senate of the State of New Jersey:*

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42 1. This House respectfully urges the President and Congress of
43 the United States to enact H.R.500 which amends the Internal Revenue
44 Code to prevent the Internal Revenue Service from collecting taxes on
45 any amount of student loan forgiven for deceased veterans.

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47 2. Copies of this resolution, as filed with the Secretary of State,
48 shall be transmitted by the Secretary of the Senate to the President

1 and Vice President of the United States, the United States Secretary
2 of Defense, the Majority and Minority Leader of the United States
3 Senate, the Speaker and the Minority Leader of the United States
4 House of Representatives, and every member of Congress from
5 New Jersey.

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8 STATEMENT
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10 This resolution urges the President and Congress of the United
11 States to enact H.R.500 which prevents the Internal Revenue
12 Service from collecting taxes on any amount of student loan
13 forgiven for deceased veterans.

14 Each member of the United States Armed Forces serves our
15 country to protect the citizens of the United States and, in 2015,
16 there were over one million active duty members of the Armed
17 Forces. If a service member sustains an injury or illness while on
18 active duty they may be discharged and return home to pursue
19 higher educational opportunities. Many service members embrace
20 the opportunity to pursue higher education through the various
21 tuition assistance programs and college funds offered to service
22 members, which may be used in combination with federal and
23 private student loans to pay for the cost of college. If a service
24 member loses his or her life as a result of an injury or illness
25 sustained while on active duty, the federal education loans are
26 forgiven under the Higher Education Act and private loan
27 companies can choose to forgive the education loans.

28 When an educational loan is forgiven the Internal Revenue Code
29 categorizes the amount of the loan as taxable gross income for a
30 cosigner on the loan, which can include both family and friends of
31 the deceased service member. Taxing loan forgiveness as income
32 can be burdensome to family members and friends especially during
33 a time when they are grieving the loss of their loved one. Families
34 of veterans who lost their lives as a result of an illness or injury
35 sustained while serving on active duty have already sacrificed so
36 much for the United States.

37 The federal bill H.R. 500, named the “Andrew P. Carpenter Tax
38 Act,” would amend the Internal Revenue Code to prevent the
39 Internal Revenue Service from collecting taxes on any amount of
40 student loan forgiven. The federal bill will help to ease the
41 financial burden for individuals who are already grieving for the
42 loss of their loved one.