

H.R. 33

To amend title 31, United States Code, in regards to limiting the amount that the portion of a taxpayer’s tax refund may be reduced by student loans

IN THE CONGRESS OF THE UNITED STATES

AUGUST 2ND, 2021

Mr. LIGHTWOOD-TOWARD (for himself,) introduced
the following bill;

A BILL

To amend title 31, United States Code, in regards to limiting the amount that the portion of a taxpayer’s tax refund may be reduced by student loans

*Be it enacted by the Senate and House of Representatives in
Congress Assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Preventing Tax Credit Seizures Act.”

SEC. 2. REDUCTION LIMITATIONS ON CERTAIN PORTIONS OF TAX REFUNDS BY AMOUNT OF STUDENT LOAN DEBT.

(a) IN GENERAL.—Section 3720A of title 31, United States Code, is amended by adding at the end the following new subsection:

“(j) The Secretary of the Treasury shall not reduce under subsection (c), because of student loan debt, a refund of Federal taxes paid that is payable to a taxpayer to the extent such reduction would cause such refund to be less than the sum of credits allowed under subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 because of sections 24 and 32 of such Code. The Secretary of the Treasury shall determine the amount of the reduction under subsection (c) that is because of student loan debt and the amount of the refund that is being reduced after applying all other reductions under such subsection.”.

(b) CONFORMING AMENDMENT.—Section 6402(d)(1) of the Internal Revenue Code of 1986 is amended by inserting “and subject to the limitations with respect to student loan debt under section 3720A of title 31, United States Code” before “) to such agency”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to refunds of Federal taxes paid for taxable years beginning after December 31, 2020.

SEC. 3. ENACTMENT.

EFFECTIVE DATE.—This Act shall go into effect immediately upon passage.
