



SPONSOR: Rep. K. Williams & Rep. Longhurst & Sen. Sturgeon  
Reps. Baumbach, Chukwuocha, Hensley, K. Johnson,  
Lambert; Sens. Hansen, Sokola

HOUSE OF REPRESENTATIVES  
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 56

AN ACT TO AMEND TITLES 14 AND 30 OF THE DELAWARE CODE RELATING TO TAX TREATMENT OF CERTAIN STUDENT LOAN REPAYMENTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 34, Title 14 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 3435. Financial assistance programs for speech-language pathologists.

(b) Speech-Language Pathologist Student Loan Repayment Program. —

(10) A loan payment under this section is not taxable income for purposes of Chapter 11 of Title 30.

§ 3437. High Needs Educator Student Loan Payment Program.

(k) A loan payment under this section is not taxable income for purposes of Chapter 11 of Title 30.

~~(l)~~ (l) If any provision of this section or the application thereof to any person or circumstance is held invalid, unenforceable or unconstitutional, the remainder of such provisions, and the application of such provisions to any person or circumstance other than those as to which it is held invalid, shall not be affected.

§ 3439. Financial assistance programs for school counselors, school psychologists, and school social workers.

(b) Mental Health Services Student Loan Repayment Program. —

(10) A loan payment under this section is not taxable income for purposes of Chapter 11 of Title 30.

Section 2. Amend § 1106, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1106. Modifications [For application of this section, see 83 Del. Laws, c. 338, § 2][Paragraph (b)(11) effective upon meeting the contingency in 83 Del. Laws, c. 339, § 22].

(b) Subtractions. — There shall be subtracted from federal adjusted gross income:

(13) The amount of any student loan payment made pursuant to §§ 3435, 3437, or 3439 of Title 14, to the extent included in federal adjusted gross income.

SYNOPSIS

This Act makes a loan repayment under the Speech Language Pathologist Student Loan Repayment Program, the High Needs Educator Loan Payment Program, and the Mental Health Services Student Loan Repayment Program non-taxable for state income tax purposes.