

United States Senate

WASHINGTON, DC 20510

November 9, 2018

The Honorable Betsy DeVos
Secretary of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Re: Docket ID ED-2018-FSA-0065

Dear Secretary DeVos:

We appreciate the U.S. Department of Education (“Department”) undertaking a data-matching program with the U.S. Department of Veterans Affairs (VA) to ease the process for Total and Permanent Disability (TPD) discharge of loans made under Title IV of the Higher Education Act for eligible veterans. Now that this critical data-matching program has been implemented, we urge the Department to take the next essential step to provide relief to our nation’s veterans by automatically discharging loans for eligible veterans and to proactively reach out to veterans who may be eligible but for whom there may be a minor discrepancy in the data match. As we approach Veterans’ Day this year, taking such steps to ease the burden of student debt would be an excellent example of working to help our veterans with the same commitment and dedication that these individuals demonstrated in serving and sacrificing for their country.

Automatic loan discharge

The Department and VA have previously identified more than 42,000 severely disabled veterans holding over \$1 billion in student loans. Over 11,000 of these veterans have defaulted on their loans and are suffering significant economic consequences as a result. It would be unreasonable and unnecessary to require severely disabled veterans who are identified through the matching program to jump through additional hoops for loan discharges that they are entitled to receive.

Under the current program, VA provides the Department with data elements (name, date of birth, and Social Security number) for veterans who are receiving disability compensation benefits with a VA determination that they have a 100 percent disabling service-connected disability rating or that they are totally disabled based on an individual unemployability (IU) rating. The Department then determines which of these veterans have borrowed student loans under Title IV of the *Higher Education Act*, and notifies them of their potential eligibility for a discharge. Instead, we request that the Department automatically discharge these loans.

Previously, the Department expressed concern about a potential tax liability for the individual whose loan would be discharged as the reason for not implementing an automatic loan discharge. In response to a June 2018 hearing question on whether the Department was aware of any specific example of state tax liability, the Department responded in writing: “*No. The Department has not reviewed each State’s tax laws on this point.*” Additionally, the Tax Cuts and Jobs Act of 2017 removed all federal tax liability for TPD discharges, and the attached review of state tax laws shows that most states that have an individual income tax have already conformed to federal

treatment of discharged student loan debt. The Department, therefore, can and should proceed to automatically discharge loans for severely disabled veterans.

At a minimum, the Department could allow a borrower whose loans will be automatically discharged a period of time to opt out of the TPD loan discharge, as “opt-out” processes have been proven to be much more beneficial to individuals experiencing financial distress than “opt-in” processes. Also, all communications should be made proactively accessible for borrowers with a visual impairment. We understand the Department only provides written notices to borrowers who receive a match under the TPD program, but many borrowers may have a severe visual or physical impairment that prevents them from effectively receiving and returning this paper form. If receiving help is only upon request (i.e. “opt-in”) many veterans will be tragically left out of relief for no fault of their own.

Our goal should be to ease the burden for veterans eligible for TPD discharge. A process for automatic discharge would go a long way to achieving that goal, and help these veterans be able to focus on the other urgent health and financial needs they may have, instead of paying back federal student loans that should be discharged.

Reaching veterans where there is a discrepancy in the data match

We also urge the Department to develop a process for reviewing records where there is a minor discrepancy in the data match with VA and for proactively reaching out to individuals who may be eligible for TPD based on the partial data match. Common database errors such as a transposed number or letter, a missing hyphen in a name, or a change in name due to marriage could preclude a severely disabled veteran from benefitting from this data matching initiative. Furthermore, many of these data errors are not the veteran’s fault, and may have occurred due to data errors that originated with a financial aid office, student loan servicer, or the Department itself. An individual who may be eligible for TPD discharge should not lose out in receiving debt relief because of an error in data entry or a minor discrepancy between VA records and Department records.

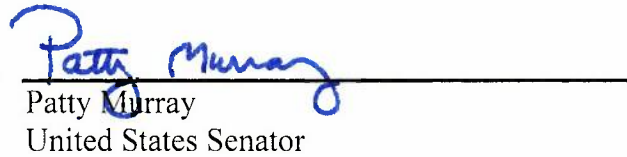
Veterans who have served our nation and are now unable to work because of a severe disability should not have to worry about student loan payments. We urge you to implement these reforms to automate and streamline the loan discharge process as quickly as possible. We request a response to our letter by November 30, 2018. Thank you for considering these recommendations.

Sincerely,

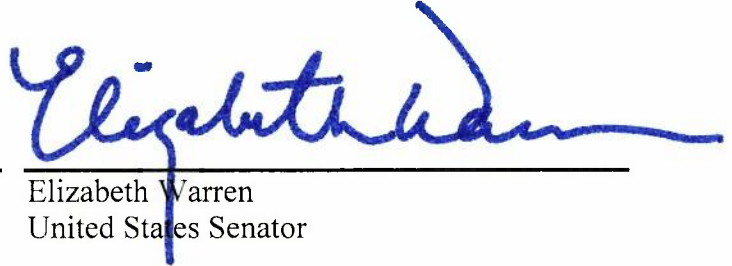
CC: The Honorable Robert Wilkie, Secretary, U.S. Department of Veterans Affairs

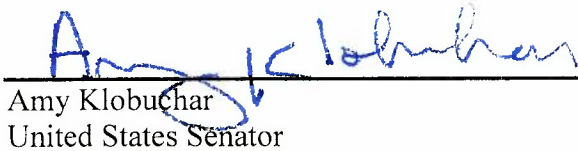
Enclosure: State tax liability associated with loan discharge for severely-disabled veterans

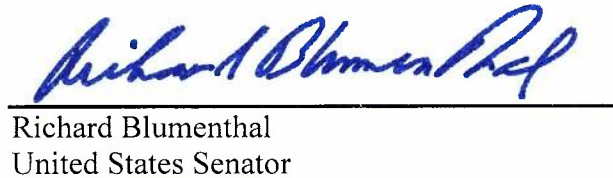

Jack Reed
United States Senator

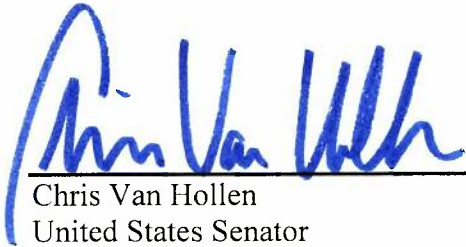

Patty Murray
United States Senator

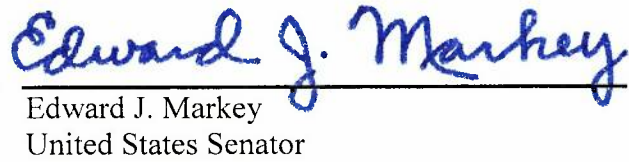

Sheldon Whitehouse
United States Senator

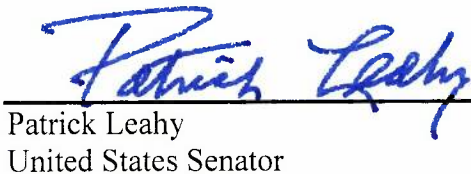

Elizabeth Warren
United States Senator


Amy Klobuchar
United States Senator


Richard Blumenthal
United States Senator


Chris Van Hollen
United States Senator


Edward J. Markey
United States Senator


Patrick Leahy
United States Senator

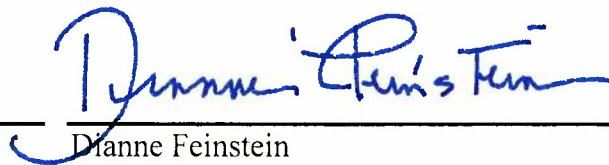

Kirsten Gillibrand
United States Senator


Jeanne Shaheen
United States Senator


Tammy Duckworth
United States Senator



Margaret Wood Hassan
United States Senator



Dianne Feinstein
United States Senator

Bloomberg Law State Tax - IRC Conformity

§ 108. Income from Discharge of Indebtedness

Alabama		Notes
<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) Alabama conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ala. Code § 40-18-1.1; Ala. Code § 40-18-33; Ala. Admin. Code r. 810-3-1.1-.01; Alabama Analysis of Federal Tax Law Revisions on the State of Alabama (July 30, 2018) (reviewing Alabama's conformity with changes made by Pub. L. 115-97, the 2017 tax act); CITN AL 5.3.12. Yes, (individual) Alabama conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ala. Code § 40-18-14(3)(h); Ala. Admin. Code r. 810-3-14-.02(1)(i); Alabama Analysis of Federal Tax Law Revisions on the State of Alabama (July 30, 2018) (reviewing Alabama's conformity with changes made by Pub. L. 115-97, the 2017 tax act); IITN AL 3.3.12.</p> <p>I.R.C. § 108</p>		
Alaska	<p>Yes, (corporate) Alaska conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Alaska Stat. § 43.20.021(a); CITN AK 5.3.12. No, (individual) Alaska does not impose an individual income tax. I.R.C. § 108</p>	<p>Alaska does not impose an individual income tax.</p>
Arizona	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108, by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Arizona has a static conformity date of Jan. 1, 2017, and requires legislation to adopt I.R.C. amendments enacted after the conformity date. However, Arizona has adopted all amendments made by the 2017 tax act that are retroactively effective for taxable years beginning from and after Dec. 31, 2016 and through Dec. 31, 2017.</p> <p>Yes, (corporate) Arizona generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ariz. Rev. Stat. Ann. § 43-102(A)(2); Ariz. Rev. Stat. Ann. § 43-1121(7); CITN AZ 5.3.12. No, (individual) Arizona does not conform to the federal treatment of income from discharge of indebtedness. While Arizona generally conforms to I.R.C. § 108, Arizona conforms to the Internal Revenue Code in effect on Jan. 1, 2017, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97. Ariz. Rev. Stat. Ann. § 43-102(A)(1); Ariz. Rev. Stat. Ann. § 43-1001(2); Ariz. Rev. Stat. Ann. § 43-1021(16), as renumbered by 2018 Ariz. S.B. 1293, effective Dec. 31, 2018; IITN AZ 3.3.12. I.R.C. § 108</p>	<p>Arizona does not conform to the federal treatment of income from discharge of indebtedness. While Arizona generally conforms to I.R.C. § 108, Arizona conforms to the Internal Revenue Code in effect on Jan. 1, 2017, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97. Ariz. Rev. Stat. Ann. § 43-102(A)(1); Ariz. Rev. Stat. Ann. § 43-1001(2); Ariz. Rev. Stat. Ann. § 43-1021(16), as renumbered by 2018 Ariz. S.B. 1293, effective Dec. 31, 2018; IITN AZ 3.3.12.</p>

Arkansas	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Arkansas generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Arkansas conforms to I.R.C. § 108 as in effect on Jan. 1, 2017 Ark. Code Ann. § 26-51-404(b)(10), as amended by 2017 H.B. 1390, effective for tax years beginning on or after Jan. 1, 2015, changing the I.R.C. conformity date from Jan. 1, 2015 to Jan. 1, 2017; CITN AR 5.3.12. No, (individual) Arkansas does not conform to the federal treatment of income from discharge of indebtedness. While the state generally conforms to I.R.C. § 108, Arkansas conforms to I.R.C. § 108 as in effect on Jan. 1, 2017, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97. As a result of Arkansas' conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. Ark. Code Ann. § 26-51-404(b)(10), as amended by 2017 H.B. 1390, effective for tax years beginning on or after Jan. 1, 2015, changing the I.R.C. conformity date from Jan. 1, 2015 to Jan. 1, 2017; ITTN AR 3.3.12.</p> <p>I.R.C. § 108</p> <p>Arkansas does not conform to the federal treatment of income from discharge of indebtedness. While the state generally conforms to I.R.C. § 108, Arkansas conforms to I.R.C. § 108 as in effect on Jan. 1, 2017, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97.</p>
California	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes,(corporate) California generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except for specified modifications. Cal. Rev. & Tax. Code § 24307; Cal. Code Regs. tit. 18, § 24271(h); CITN CA 5.3.12. Yes, (individual) California conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. California provides provisions for the exclusion of student loan forgiveness and/or cancellation. Cal. Rev. & Tax. Code § 17131; Cal. Rev. & Tax. Code § 17132.11, as amended by 2017 Cal. A.B. 461, effective Oct. 6, 2017; Cal. Rev. & Tax. Code §17134; Cal. Rev. & Tax. Code § 17134.1; Cal. Rev. & Tax. Code § 17144; Cal. Rev. & Tax. Code § 17144.5; Cal. Rev. & Tax. Code § 17144.7, as added by 2017 Cal. S.B. 141, effective Jan. 1, 2018, but applicable for student loan discharges that occur on or after Jan. 1, 2015 and before Jan. 1, 2020; California Franch. Tax Bd., Summary of Federal Income Tax Changes 2017; ITTN CA 3.3.12. I.R.C. § 108</p> <p>From California Franchise Tax Board: California generally conforms, under the PRTL (personal income tax law), to the federal income tax rules relating to the cancellation of student loans under IRC section 108, as of the specified date of January 1, 2015, with modifications, but does not conform to the exclusion from gross income for student loan discharges due to the death or disability of the debtor (https://www.ftb.ca.gov/law/legis/federal-Tax-Changes/2017.pdf)</p>
Colorado	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes,(corporate) Colorado conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Colo. Rev. Stat. § 39-22-304(1); CITN CO 5.3.12. Yes, (individual) Colorado conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Colo. Rev. Stat. § 39-22-104(1.7); ITTN CO 3.3.12.</p> <p>I.R.C. § 108</p>

Connecticut	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) Connecticut conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Conn. Gen. Stat. § 12-217(b)(2)(A); CITN CT 5.3.12. Yes, (individual) Connecticut conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Conn. Gen. Stat. § 12-701(a)(20)(A)(xi); Conn. Gen. Stat. § 12-701(a)(20)(B)(xviii); IITN CT 3.3.12.</p> <p>I.R.C. § 108</p>	
Delaware	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) Delaware conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Del. Code Ann. tit. 30, § 1903(e); CITN DE 5.3.12. Yes, (individual) Delaware conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Del. Code Ann. tit. 30, § 1105; IITN DE 3.3.12.</p> <p>I.R.C. § 108</p>	
District of Columbia	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) the District of Columbia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. D.C. Code Ann. § 47-1803.02(a)(2)(Z); CITN DC 5.3.12. Yes, (individual) the District of Columbia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. D.C. Code Ann. § 47-1803.02(a)(2)(Z); IITN DC 3.3.12.</p> <p>I.R.C. § 108</p>	
Florida	<p>Yes, (corporate) Florida generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Fla. Stat. § 220.13(1)(e)(3); CITN FL 5.3.12. No, (individual) Florida does not impose an individual income tax.</p> <p>I.R.C. § 108</p>	<p>Florida does not impose an individual income tax.</p>

Georgia	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Georgia has enacted 2018 Ga. H.B. 918, conforming to certain provisions of the Internal Revenue Code existing on Feb. 9, 2018, with certain exceptions. Yes, (corporate) Georgia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. With respect to I.R.C. § 108(l), Georgia does not conform to the federal treatment of the inclusion of business indebtedness discharged by the reacquisition of a debt instrument. Georgia generally conforms to the Internal Revenue Code in effect on Feb. 9, 2018, and as a result conforms to provisions enacted by Pub. L. No. 115-97, with certain exceptions. Ga. Code Ann. § 48-1-2(14); Ga. Code Ann. § 48-7-21(a); Ga. Code Ann. § 48-7-21(b)(10.1)(D); CITN GA 5.3.12. Yes, (individual) Georgia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the treatment of student loan forgiveness. Georgia conforms to the Internal Revenue Code in effect on Feb. 9, 2018, and as a result conforms to provisions enacted by Pub. L. No. 115-97, with certain exceptions. Georgia does not conform to the federal treatment of the inclusion of business indebtedness discharged by the reacquisition of a debt instrument. Additionally, as a result of Georgia's conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. Ga. Code Ann. § 48-1-2(14), as amended by 2017 Ga. H.B. 283, and as amended by 2018 Ga. H.B. 918, effective March 2, 2018, and applicable to tax years beginning on or after Jan. 1, 2017; Ga. Code Ann. § 48-7-27(a); ITTN GA 3.3.12. I.R.C. § 108</p>	<p>Georgia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the treatment of student loan forgiveness.</p>
Hawaii	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Hawaii has a static conformity date, and has passed 2018 Haw. S.B. 2821 conforming to the version of the Internal Revenue Code in effect on Feb. 9, 2018. Yes, (corporate) Hawaii generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Haw. Rev. Stat. § 235-2.4(e); CITN HI 5.3.12. Yes, (individual) Hawaii generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. As a result of Hawaii's conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. Haw. Rev. Stat. § 235-2.4(e); ITTN HI 3.3.12. I.R.C. § 108</p>	
Idaho	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Idaho has a static conformity date, and has passed 2018 Idaho H. 624, conforming to the version of the I.R.C. existing on Jan. 1, 2018, with certain exceptions. Yes, (corporate) Idaho conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. For the purposes of I.R.C. § 108, Idaho conforms to the Internal Revenue Code in effect on Feb. 9, 2018, and as a result conforms to provisions enacted by Pub. L. No. 115-97. Idaho Code § 63-3004, as amended by 2018 Idaho H. 463, effective retroactively to Jan. 1, 2018, and as amended by 2018 Idaho H. 624, effective retroactive to Jan. 1, 2018; Idaho Code § 63-3011B; CITN ID 5.3.12. Yes, (individual) Idaho generally conforms to the federal treatment of discharge of indebtedness. Idaho conforms to the Internal Revenue Code in effect on Jan. 1, 2018, and as a result conforms to provisions enacted by Pub. L. No. 115-97. Idaho Code § 63-3004, as amended by 2018 Idaho H. 463, effective retroactively to Jan. 1, 2018; Idaho Code § 63-3011A; Idaho Code § 63-3011B; ITTN ID 3.3.12. I.R.C. § 108</p>	

Illinois	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Illinois conforms to the federal treatment of specifically excluding from gross income certain discharges of indebtedness. 35 ILCS 5/203(b)(1); CITN IL 5.3.12. Yes, (individual) Illinois conforms to the federal treatment of specifically excluding from gross income certain discharges of indebtedness. 35 ILCS 5/203(a)(1); IITN IL 3.3.12.</p> <p>I.R.C. § 108</p>	
Indiana	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Indiana has a static conformity date, and has passed 2018 Ind. H.B. 1316 conforming to the version of the I.R.C. in effect on Feb. 11, 2018, with certain exceptions.</p> <p>Yes, (corporate) Indiana generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Ind. Code Ann. § 6-3-1-3.5(b); Ind. Code Ann. § 6-3-1-3.5(b)(11), as renumbered by 2018 Ind. H.B. 1316, effective retroactively on Jan. 1, 2018; Ind. Code Ann. § 6-3-1-8; Ind. Code Ann. § 6-3-1-11(c)(2); CITN IN 5.3.12. Yes, (individual) Indiana generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ind. Code Ann. § 6-3-1-8; Ind. Code Ann. § 6-3-1-11(c)(1); Ind. Code Ann. § 6-3-1-3.5(a)(21), as renumbered by 2018 Ind. H.B. 1316, effective retroactively on Jan. 1, 2018; IITN IN 3.3.12.</p> <p>I.R.C. § 108</p>	
Iowa	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Iowa has a static conformity date, and has passed 2018 Iowa S.F. 2417 conforming, for tax years beginning on or after Jan. 1, 2019, to amendments made by Pub. L. 115-97.</p> <p>Yes, (corporate) Iowa generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Iowa Code Ann. § 422.3(5); CITN IA 5.3.12. No (individual), Iowa does not conform to federal treatment of discharge of indebtedness. While Iowa generally conforms to the Internal Revenue Code as in effect on Jan. 1, 2015, and as a result does not conform to any provisions enacted by Pub. L. 115-97. Iowa Code Ann. § 422.7(16); IITN IA 3.3.12.</p> <p>I.R.C. § 108</p>	Iowa does not conform to federal treatment of discharge of indebtedness. While Iowa generally conforms to I.R.C. § 108, Iowa conforms to the Internal Revenue Code as in effect on Jan. 1, 2015, and as a result does not conform to any provisions enacted by Pub. L. 115-97.
Kansas	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Kansas conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Kan. Stat. Ann. § 79-32.138(a); CITN KS 5.3.12. Yes, (individual) Kansas conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Kan. Stat. Ann. § 79-32.117(a); IITN KS 3.3.12.</p> <p>I.R.C. § 108</p>	

Kentucky	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Kentucky generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ky. Rev. Stat. Ann. §§ 141.010(1), (12), and (14), as added by 2018 Ky. H.B. 487, effective April 27, 2018; Ky. Rev. Stat. Ann. § 141.010(3), as repealed by 2018 Ky. H.B. 487, effective April 27, 2018. Ky. Rev. Stat. Ann. § 141.010(9), as repealed by 2018 Ky. H.B. 487, effective April 27, 2018; CITN KY 5.3.12. Yes, (individual) Kentucky generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ky. Rev. Stat. Ann. §§ 141.010(1), (12), and (14), as added by 2018 Ky. H.B. 487, effective April 27, 2018; Ky. Rev. Stat. Ann. § 141.010(3), as repealed by 2018 Ky. H.B. 487, effective April 27, 2018; Ky. Rev. Stat. Ann. § 141.010(9), as repealed by 2018 Ky. H.B. 487, effective April 27, 2018; IITN KY 3.3.12.</p> <p>I.R.C. § 108</p>
Louisiana	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Louisiana conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. La. Rev. Stat. Ann. § 47:53.2(1)(a); La. Rev. Stat. Ann. § 47:287.65; La. Rev. Stat. Ann. § 47:287.701(A); CITN LA 5.3.12. Yes, (individual) Louisiana conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. La. Rev. Stat. Ann. § 47:53.2(1)(b); La. Rev. Stat. Ann. § 47:290; La. Rev. Stat. Ann. § 47:293(1); IITN LA 3.3.12.</p> <p>I.R.C. § 108</p>
Maine	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Maine has passed 2018 Me. S.P. 612, conforming to the version of the Internal Revenue Code in existence on March 23, 2018.</p> <p>Yes, (corporate) Maine conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Maine conforms to the Internal Revenue Code in effect on March 23, 2018, and as a result conforms to the provisions enacted by Pub. L. No. 115-97, with certain exceptions. Me. Rev. Stat. Ann. tit. 36, § 5200-A(1)(W); Me. Rev. Stat. Ann. tit. 36, § 5200-A(2)(U); CITN ME 5.3.12. Yes, (individual) Maine conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Maine conforms to the Internal Revenue Code in effect on March 23, 2018, and as a result conforms to the provisions enacted by Pub. L. No. 115-97, with certain exceptions. Me. Rev. Stat. Ann. § 36-5102(1-C); Me. Rev. Stat. Ann. tit. 36, § 5121; Me. Rev. Stat. Ann. tit. 36, § 5122(1)(CC); Me. Rev. Stat. Ann. tit. 36, § 5122(2)(DD); IITN ME 3.3.12.</p> <p>I.R.C. § 108</p>

Maryland	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Maryland generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Md. Code Ann., Tax-Gen. § 10-210.1(b)(4); Md. Code Ann., Tax-Gen. § 10-310; CITN MD 5.3.12. Yes, (individual) Maryland generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Maryland also provides a subtraction for income resulting from the discharge of student loan indebtedness. For tax years beginning after Dec. 31, 2016, the requirement that the discharge must be due to total and permanent disability does not apply. Md. Code Ann., Tax-Gen. § 10-207, as amended by 2017 Md. H.B. 83, effective July 1, 2017; Md. Code Ann., Tax-Gen. § 10-210.1(b)(4); Md. Code Ann., Tax-Gen. § 10-310; IITN MD 3.3.12.</p> <p>I.R.C. § 108</p>	
Massachusetts	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Massachusetts generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Mass. Gen. L. ch. 63, § 30(3); CITN MA 5.3.12. No, (individual) Massachusetts does not conform to the federal treatment of income from discharge of indebtedness. While Massachusetts generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, as a result of the state's conformity date, they do not conform to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument and the exclusion of student loan discharges. Mass. Gen. L. ch. 62, § 1(c); Mass. Gen. L. ch. 62, § 2(a); IITN MA 3.3.12.</p> <p>I.R.C. § 108</p>	<p>Massachusetts does not conform to the federal treatment of income from discharge of indebtedness. While Massachusetts generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, as a result of the state's conformity date, they do not conform to the federal...exclusion of student loan discharges.</p>
Michigan	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Michigan conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mich. Comp. Laws § 206.603(3); Mich. Comp. Laws § 206.623(2); CITN MI 5.3.12. Yes, (individual) Michigan conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mich. Comp. Laws § 206.12(2); Mich. Comp. Laws § 206.30(1); IITN MI 3.3.12.</p> <p>I.R.C. § 108</p>	

Minnesota	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Minnesota generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Minn. Stat. § 290.0134(15); CITN MN 5.3.12. No, (individual) Minnesota does not conform to federal treatment of discharge of indebtedness. While Minnesota generally conforms to I.R.C. § 108, Minnesota conforms to the Internal Revenue Code as in effect on Dec. 31, 2016, and as a result does not conform to any provisions enacted by Pub. L. 115-97. Minnesota provides a subtraction modification for qualified education loans discharged as a result of the completion of an income-driven repayment program. As a result of Minnesota's conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. Minn. Stat. § 290.0132(17); Minn. Stat. § 290.0132(24), as added by 2017 Minn. H.F. 1, effective for taxable years beginning after Dec. 31, 2016; ITTN MN 3.3.12.</p> <p>I.R.C. § 108</p>	<p>Minnesota does not conform to federal treatment of discharge of indebtedness. While Minnesota generally conforms to I.R.C. § 108, Minnesota conforms to the Internal Revenue Code as in effect on Dec. 31, 2016, and as a result does not conform to any provisions enacted by Pub. L. 115-97.</p>
Mississippi	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Mississippi generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Miss. Code Ann. § 27-7-13; Miss. Code Ann. § 27-7-15(1); Miss. Code Ann. § 27-7-17(1)(e); CITN MS 5.3.12. Yes, (individual) Mississippi generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Mississippi does not conform to the Internal Revenue Code generally; however, the Internal Revenue Code is incorporated by reference throughout the Mississippi tax code, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97. § 27-7-17(1)(e); ITTN MS 3.3.12.</p> <p>I.R.C. § 108</p>	<p>Mississippi does not conform to the Internal Revenue Code generally; however, the Internal Revenue Code is incorporated by reference throughout the Mississippi tax code, and as a result does not conform to any provisions enacted by Pub. L. No. 115-97.</p>
Missouri	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Missouri conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mo. Rev. Stat. § 143.431(1); CITN MO 5.3.12. Yes, (individual) Missouri conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mo. Rev. Stat. § 143.121(1); ITTN MO 3.3.12.</p> <p>I.R.C. § 108</p>	
Montana	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Montana conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mont. Code Ann. § 15-31-113(1); CITN MT 5.3.12. Yes, (individual) Montana conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Mont. Code Ann. § 15-30-2101(10); ITTN MT 3.3.12.</p> <p>I.R.C. § 108</p>	

Nebraska	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes,(corporate) Nebraska conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Neb. Rev. Stat. § 77-2714; Neb. Rev. Stat. § 77-2716(1); CITN NE 5.3.12. Yes, (individual) Nebraska conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Neb. Rev. Stat. § 77-2714.01(1); ITTN NE 3.3.12.</p> <p>I.R.C. § 108</p>	
Nevada	<p>No, Nevada does not impose an individual or corporate income tax.</p> <p>I.R.C. § 108</p>	<p>No, Nevada does not impose an individual or corporate income tax.</p>
New Hampshire	<p>Yes,(corporate) New Hampshire generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. New Hampshire does not conform to federal amendments in effect after Dec. 31, 2016. N.H. Rev. Stat. Ann. § 77-A:1(III)(a); N.H. Rev. Stat. Ann. § 77-A:1(XX)(I); CITN NH 5.3.12. No, (individual) New Hampshire does not conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness.</p> <p>New Hampshire only imposes an individual income tax on interest and dividends. N.H. Rev. Stat. Ann. § 77:3; N.H. Rev. Stat. Ann. § 77:4; ITTN NH 3.3.12.</p> <p>I.R.C. § 108</p>	<p>New Hampshire does not conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. New Hampshire only imposes an individual income tax on interest and dividends.</p>
New Jersey	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes,(corporate) New Jersey generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. N.J. Rev. Stat. § 54:10A-4(k)(14); CITN NJ 5.3.12. No, (individual) New Jersey does not conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness because New Jersey bases gross income on the state tax code which does not include income from discharge of indebtedness. N.J. Rev. Stat. § 54A:5-1; Weintraub v. Director, Div. of Tax'n., 19 N.J. Super. 6 (N.J. Super. Ct. App. Div. 2000); ITTN NJ 3.3.12.</p> <p>I.R.C. § 108</p>	
New Mexico	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes,(corporate) New Mexico conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.M. Stat. Ann. § 7-2A-2(C); CITN NM 5.3.12. Yes, (individual) New Mexico conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.M. Stat. Ann. § 7-2-2(A); ITTN NM 3.3.12.</p> <p>I.R.C. § 108</p>	

New York

Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) New York conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.Y. Tax Law § 208(9); CITN NY 5.3.12. Yes, (individual) New York conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.Y. Tax Law § 612(a); IITN NY 3.3.12. I.R.C. § 108

North Carolina

Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. North Carolina has a static conformity date, and has passed 2018 N.C. S. 99 conforming to many of the amended provisions. Yes, (corporate) North Carolina generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except for the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. N.C. Gen. Stat. § 105-130.5(a)(21); N.C. Gen. Stat. § 105-130.5(b)(25); CITN NC 5.3.12. Yes, (individual) North Carolina generally conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. However, North Carolina requires the amount excluded from gross income related to the discharge of qualified principal residence indebtedness to be added back to the taxpayer's federal adjusted gross income in computing North Carolina taxable income. N.C. Gen. Stat. § 105-134.6(b)(20); N.C. Gen. Stat. § 105-153.3(6); N.C. Gen. Stat. § 105-153.4(a); N.C. Gen. Stat. § 105-153.5(c2); IITN NC 3.3.12. I.R.C. § 108

North Dakota

Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) North Dakota conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.D. Cent. Code § 57-38-01(13); N.D. Cent. Code § 57-38-01.3(1); CITN ND 5.3.12. Yes, (individual) North Dakota conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. N.D. Cent. Code § 57-38-01(13); N.D. Cent. Code § 57-38-30.3(2); IITN ND 3.3.12. I.R.C. § 108

Ohio

Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Ohio has a static conformity date, and has passed 2018 Ohio S.B. 22, conforming to most of the individual provisions of Pub. L. 115-97. No, (corporate) Ohio does not conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ohio imposes a commercial activities tax on gross receipts. Ohio Rev. Code Ann. § 5751.01(f); CITN OH 5.3.12. Yes, (individual) Ohio generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Ohio Rev. Code Ann. § 5747.01(A); IITN OH 3.3.12. I.R.C. § 108

Oklahoma	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Oklahoma generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Okla. Stat. Ann. tit. 68, § 2358(A)(10); CITN OK 5.3.12. Yes, (individual) Oklahoma generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except to the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. Okla. Stat. Ann. tit. 68, § 2358(A)(10); IITN OK 3.3.12. I.R.C. § 108</p>	
Oregon	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Oregon has a static conformity date of Dec. 31, 2017, but has a rolling reconnect for provisions related to taxable income. Yes, (corporate) Oregon generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. However, Oregon provides for state specific modifications related to the election available under I.R.C. § 108(b)(5). Or. Rev. Stat. § 314.306, as amended by 2017 Or. S.B. 29, effective the 91st day after the adjournment of the legislature; Or. Rev. Stat. § 317.301(1); Or. Rev. Stat. § 318.031; CITN OR 5.3.12. Yes, (individual) Oregon generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. However, Oregon provides for state specific modifications related to the election available under I.R.C. § 108(b)(5). Or. Rev. Stat. § 314.306, as amended by 2017 Or. S.B. 29, effective the 91st day after the adjournment of the legislature; Or. Rev. Stat. § 316.739; IITN OR 3.3.12. I.R.C. § 108</p>	
Pennsylvania	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Pennsylvania conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. 72 Pa. Stat. § 7401(3); CITN PA 5.3.12. No, (individual) Pennsylvania does not conform to the federal rules related to income from certain discharges of indebtedness. However, Pennsylvania has cancellation of debt rules similar to the federal rules that exclude certain cancellation of debt from income. 61 Pa. Code § 101.61(i)(8); Pa. Dept. of Rev., Pennsylvania Personal Income Tax Guide, ch. 24; IITN PA 3.3.12. I.R.C. § 108</p>	<p>Pennsylvania does not conform to the federal rules related to income from certain discharges of indebtedness.</p>
Rhode Island	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Yes, (corporate) Rhode Island generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. R.I. Gen. Laws § 44-11-11(a)(1); R.I. Gen. Laws § 44-66-1; CITN RI 5.3.12. Yes, (individual) Rhode Island generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. R.I. Gen. Laws § 44-30-2, 6(a); R.I. Gen. Laws § 44-30-12(a); R.I. Gen. Laws § 44-66-1; IITN RI 3.3.12. I.R.C. § 108</p>	

South Carolina	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) South Carolina generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except the federal treatment of the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument. S.C. Code Ann. § 12-6-50(5A); S.C. Code Ann. § 12-6-110(A); CITN SC 5.3.12.</p> <p>Yes, (individual) South Carolina conforms to the federal treatment of discharge of indebtedness. For tax years beginning on or after Jan. 1, 2018, South Carolina conforms to the Internal Revenue Code, as amended and in effect on Feb. 9, 2018. S.C. Code Ann. § 12-6-40(A), as amended by 2018 S.C. H.B. 5341, effective Oct. 3, 2018 and applicable to taxable years beginning on or after Jan. 1, 2018; S.C. Code Ann. § 12-6-560; S.C. Code Ann. § 12-6-110(A); IITN SC 3.3.12.</p> <p>I.R.C. § 108</p>	
South Dakota	<p>No, South Dakota does not impose an individual or corporate income tax.</p> <p>I.R.C. § 108</p>	South Dakota does not impose an individual or corporate income tax.
Tennessee	<p>Yes, (corporate) Tennessee conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Note: an addition modification for certain discharges of indebtedness is required in computing net loss carryovers. Tenn. Code Ann. § 67-4-2006(a); Tenn. Code Ann. § 67-4-2006(c)(8)(A); CITN TN 5.3.12. No, (individual) Tennessee does not conform to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Tennessee only imposes an individual income tax on interest and dividends. Tenn. Code Ann. § 67-2-102; IITN TN 3.3.12.</p> <p>I.R.C. § 108</p>	Tennessee only imposes an individual income tax on interest and dividends.
Texas	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) Texas generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness as in effect on Jan. 1, 2007. As a result, Texas does not conform to I.R.C. § 108(i), which permits a taxpayer to elect to defer recognition of discharge of indebtedness income arising in connection with the reacquisition of certain debt instruments in 2009 and 2010. Tex. Tax Code Ann. § 171.0001(9); Tex. Tax Code Ann. § 171.1011(c); Tex. Tax Code Ann. § 171.1011(m); CITN TX 5.3.12. No, (individual) Texas does not impose an individual income tax.</p> <p>I.R.C. § 108</p>	Texas does not impose an individual income tax.
Utah	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Yes, (corporate) Utah conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Utah Code Ann. § 59-7-101(29); CITN UT 5.3.12. Yes, (individual) Utah conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Utah Code Ann. § 59-10-103(1)(a); IITN UT 3.3.12</p> <p>I.R.C. § 108</p>	

Vermont	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Vermont has a static conformity date, and has passed 2018 Vt. H. 16 conforming to many of the amended provisions.</p> <p>Yes, (corporate) Vermont conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Vt. Stat. Ann. tit. 32, § 5811(18); CITN VT 5.3.12. Yes, (individual) Vermont generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Vt. Stat. Ann. tit. 32, § 5814(21); Vt. Stat. Ann. tit. 32, § 5823; Vt. Stat. Ann. tit. 32, § 5824, as amended by 2018 Vt. H. 16, effective Jan. 1, 2018 and retroactively applicable to tax years beginning Jan. 1, 2017; ITTN VT 3.3.12.</p> <p>I.R.C. § 108</p>	
Virginia	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. Virginia has enacted 2018 Va. H.B. 154 and 2018 Va. S.B. 230, conforming to the version of the Internal Revenue Code existing on Feb. 9, 2018, but decoupling from most provisions effective in 2018 and after.</p> <p>Yes, (corporate) Virginia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, except the state disallows the exclusion related to income from the discharge of indebtedness in connection with a reacquisition of business debt at a discount. Va. Code Ann. § 58.1-301(B)(4); Va. Code Ann. § 58.1-402(A); Virginia Tax Bulletin VTB 18-1 (Feb. 26, 2018); CITN VA 5.3.12. No, (individual) Virginia does not conform to the federal treatment of income from certain discharges of indebtedness. While Virginia generally conforms to I.R.C. § 108, Virginia conforms to the Internal Revenue Code in effect on Feb. 9, 2018, but has decoupled from most of the provisions enacted by Pub. L. 115-97. Va. Code Ann. § 58.1-301(B)(4); Va. Code Ann. § 58.1-322; Virginia Tax Bulletin VTB 18-1 (Feb. 26, 2018); ITTN VA 3.3.12.</p> <p>I.R.C. § 108</p>	<p>Virginia does not conform to the federal treatment of income from certain discharges of indebtedness. While Virginia generally conforms to I.R.C. § 108, Virginia conforms to the Internal Revenue Code in effect on Feb. 9, 2018, but has decoupled from most of the provisions enacted by Pub. L. 115-97.</p>
Washington	<p>No, Washington does not impose an individual or corporate income tax.</p> <p>I.R.C. § 108</p>	<p>Washington does not impose an individual or corporate income tax.</p>
West Virginia	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108 by creating I.R.C. § 108(f) related to discharges of student loan debt due to death or disability. West Virginia has a static conformity date, and has passed 2018 W.Va. H.B. 4135 and 2018 W.Va. H.B. 4146 conforming to the version of the I.R.C. in effect on Dec. 31, 2017</p> <p>Yes, (corporate) West Virginia conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. W. Va. Code § 11-24-6(a); CITN WV 5.3.12. Yes, (individual) West Virginia generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. West Virginia conforms to the Internal Revenue Code as amended, and in effect on Dec. 31, 2017, and as a result conforms to the provisions enacted by Pub. L. 115-97. As a result of West Virginia's conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. W. Va. Code § 11-21-9(a), as amended by 2018 W.Va. H.B. 4146, effective Feb. 9, 2018; W. Va. Code § 11-21-12(a); ITTN WV 3.3.12.</p> <p>I.R.C. § 108</p>	

Wisconsin	<p>Editors' Note: Pub. L. 115-97, the 2017 tax act, dramatically altered the Internal Revenue Code of 1986. For discharges of indebtedness after Dec. 31, 2017, the act amends I.R.C. § 108(f) related to discharges of student loan debt due to death or disability.</p> <p>Wisconsin has a static conformity date, and has passed 2018 Wis. A.B. 259 conforming to the version of the I.R.C. in effect on Dec. 31, 2017.</p> <p>Yes,(corporate) Wisconsin generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness, but the state requires a modification related to the reduction of tax attributes. Wisconsin conforms to the Internal Revenue Code in effect on Dec. 31, 2017, and as a result conforms to provisions enacted by Pub. L. 115-97. Wis. Stat. § 71.22(4)(j); Wis. Stat. § 71.26(3)(c); Wis. Stat. § 71.22(4m)(L), as amended by 2018 Wis. A.B. 259, effective April 5, 2018; CITN WI 5.3.12. Yes, (individual)</p> <p>Wisconsin generally conforms to the federal treatment of specifically excluding from gross income the amount of income from certain discharges of indebtedness. Wisconsin conforms to the Internal Revenue Code in effect on Dec. 31, 2017, and as a result conforms to provisions enacted by Pub. L. 115-97. As a result of Wisconsin's conformity date, the state does not conform to the provision that allowed an exclusion from gross income for discharge of qualified principal residence indebtedness for the 2017 tax year. Wis. Stat. § 71.01(4); Wis. Stat. § 71.01(6)(L), as amended by 2018 Wis. A.B. 259, effective April 5, 2018; Wis. Stat. § 71.01(13); ITTN WI 3.3.12.</p> <p>I.R.C. § 108</p>	
Wyoming	<p>No, Wyoming does not impose an individual or corporate income tax.</p> <p>I.R.C. § 108</p>	<p>Wyoming does not impose an individual or corporate income tax.</p>