

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Ms. WARREN (for herself, Ms. BALDWIN, Mr. BENNET, Mr. BLUMENTHAL, Mr. BOOKER, Mr. BROWN, Ms. CANTWELL, Mr. CARDIN, Mr. CASEY, Ms. CORTEZ MASTO, Ms. DUCKWORTH, Mr. DURBIN, Mrs. FEINSTEIN, Mrs. GILLIBRAND, Ms. HARRIS, Ms. HASSAN, Ms. HIRONO, Ms. KLOBUCHAR, Mr. LEAHY, Mr. MANCHIN, Mr. MARKEY, Mr. MENENDEZ, Mr. MERKLEY, Mr. MURPHY, Mr. PETERS, Mr. REED, Mr. SANDERS, Mrs. SHAHEEN, Ms. SMITH, Ms. STABENOW, Mr. UDALL, Mr. VAN HOLLEN, Mr. WHITEHOUSE, \_\_\_\_\_ ) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Higher Education Act of 1965 to provide for the refinancing of certain Federal student loans, and for other purposes.

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 “Bank on Students  
5 Emergency Loan Refinancing Act”.

1                   **TITLE I—REFINANCING**  
2                   **PROGRAMS**

3 **SEC. 101. REFINANCING PROGRAMS.**

4           (a) PROGRAM AUTHORITY.—Section 451(a) of the  
5 Higher Education Act of 1965 (20 U.S.C. 1087a(a)) is  
6 amended—

7               (1) by striking “and (2)” and inserting “(2)”;

8           and

9               (2) by inserting “; and (3) to make loans under  
10 section 460A and section 460B” after “section  
11 459A”.

12          (b) REFINANCING PROGRAM.—Part D of title IV of  
13 the Higher Education Act of 1965 (20 U.S.C. 1087a et  
14 seq.) is amended by adding at the end the following:

15 **“SEC. 460A. REFINANCING FFEL AND FEDERAL DIRECT**  
16                   **LOANS.**

17          “(a) IN GENERAL.—Beginning not later than 180  
18 days after the date of enactment of the Bank on Students  
19 Emergency Loan Refinancing Act, the Secretary shall es-  
20 tablish a program under which the Secretary, upon the  
21 receipt of an application from a qualified borrower, makes  
22 a loan under this part, in accordance with the provisions  
23 of this section, in order to permit the borrower to obtain  
24 the interest rate provided under subsection (c).

25          “(b) REFINANCING DIRECT LOANS.—

1           “(1) FEDERAL DIRECT LOANS.—Upon applica-  
2           tion of a qualified borrower, the Secretary shall  
3           repay a Federal Direct Stafford Loan, a Federal Di-  
4           rect Unsubsidized Stafford Loan, a Federal Direct  
5           PLUS Loan, or a Federal Direct Consolidation  
6           Loan of the qualified borrower, for which the first  
7           disbursement was made, or the application for the  
8           consolidation loan was received, before July 1, 2019,  
9           with the proceeds of a refinanced Federal Direct  
10          Stafford Loan, a Federal Direct Unsubsidized Staf-  
11          ford Loan, a Federal Direct PLUS Loan, or a Fed-  
12          eral Direct Consolidation Loan, respectively, issued  
13          to the borrower in an amount equal to the sum of  
14          the unpaid principal, accrued unpaid interest, and  
15          late charges of the original loan.

16          “(2) REFINANCING FFEL PROGRAM LOANS AS  
17          REFINANCED FEDERAL DIRECT LOANS.—Upon ap-  
18          plication of a qualified borrower for any loan that  
19          was made, insured, or guaranteed under part B and  
20          for which the first disbursement was made, or the  
21          application for the consolidation loan was received,  
22          before July 1, 2010, the Secretary shall make a loan  
23          under this part, in an amount equal to the sum of  
24          the unpaid principal, accrued unpaid interest, and

1 late charges of the original loan to the borrower in  
2 accordance with the following:

3 “(A) The Secretary shall pay the proceeds  
4 of such loan to the eligible lender of the loan  
5 made, insured, or guaranteed under part B, in  
6 order to discharge the borrower from any re-  
7 maining obligation to the lender with respect to  
8 the original loan.

9 “(B) A loan made under this section that  
10 was originally a loan made, insured, or guaran-  
11 teed—

12 “(i) under section 428 shall be a Fed-  
13 eral Direct Stafford Loan;

14 “(ii) under section 428B shall be a  
15 Federal Direct PLUS Loan;

16 “(iii) under section 428H shall be a  
17 Federal Direct Unsubsidized Stafford  
18 Loan; and

19 “(iv) under section 428C shall be a  
20 Federal Direct Consolidation Loan.

21 “(C) The interest rate for each loan made  
22 by the Secretary under this paragraph shall be  
23 the rate provided under subsection (e).

24 “(c) INTEREST RATES.—

1           “(1) IN GENERAL.—The interest rate for the  
2           refinanced Federal Direct Stafford Loans, Federal  
3           Direct Unsubsidized Stafford Loans, Federal Direct  
4           PLUS Loans, and Federal Direct Consolidation  
5           Loans, shall be a rate equal to—

6                   “(A) in any case where the original loan  
7                   was a loan under section 428 or 428H, a Fed-  
8                   eral Direct Stafford loan, or a Federal Direct  
9                   Unsubsidized Stafford Loan, that was issued to  
10                  an undergraduate student, a rate equal to the  
11                  rate for Federal Direct Stafford Loans and  
12                  Federal Direct Unsubsidized Stafford Loans  
13                  issued to undergraduate students for the 12-  
14                  month period beginning on July 1, 2016, and  
15                  ending on June 30, 2017;

16                   “(B) in any case where the original loan  
17                   was a loan under section 428 or 428H, a Fed-  
18                   eral Direct Stafford Loan, or a Federal Direct  
19                   Unsubsidized Stafford Loan, that was issued to  
20                   a graduate or professional student, a rate equal  
21                   to the rate for Federal Direct Unsubsidized  
22                   Stafford Loans issued to graduate or profes-  
23                   sional students for the 12-month period begin-  
24                   ning on July 1, 2016, and ending on June 30,  
25                   2017;

1           “(C) in any case where the original loan  
2           was a loan under section 428B or a Federal Di-  
3           rect PLUS Loan, a rate equal to the rate for  
4           Federal Direct PLUS Loans for the 12-month  
5           period beginning on July 1, 2016, and ending  
6           on June 30, 2017; and

7           “(D) in any case where the original loan  
8           was a loan under section 428C or a Federal Di-  
9           rect Consolidation Loan, a rate calculated in ac-  
10          cordance with paragraph (2).

11          “(2) INTEREST RATES FOR CONSOLIDATION  
12          LOANS.—

13                 “(A) METHOD OF CALCULATION.—In  
14                 order to determine the interest rate for any re-  
15                 financed Federal Direct Consolidation Loan  
16                 under paragraph (1)(D), the Secretary shall—

17                         “(i) determine each of the component  
18                         loans that were originally consolidated in  
19                         the loan under section 428C or the Federal  
20                         Direct Consolidation Loan, and calculate  
21                         the proportion of the unpaid principal bal-  
22                         ance of the loan under section 428C or the  
23                         Federal Direct Consolidation Loan that  
24                         each component loan represents;



1                   Unsubsidized Stafford Loans issued  
2                   to undergraduate students for the 12-  
3                   month period beginning on July 1,  
4                   2016, and ending on June 30, 2017;  
5                   or

6                   “**(II)** the original interest rate of  
7                   the component loan.

8                   “(ii) The interest rate for any loan  
9                   under section 428 or 428H, Federal Direct  
10                  Stafford Loan, or Federal Direct Unsub-  
11                  sidized Stafford Loan issued to a graduate  
12                  or professional student shall be a rate  
13                  equal to the lesser of—

14                  “(I) the rate for Federal Direct  
15                  Unsubsidized Stafford Loans issued  
16                  to graduate or professional students  
17                  for the 12-month period beginning on  
18                  July 1, 2016, and ending on June 30,  
19                  2017; or

20                  “(II) the original interest rate of  
21                  the component loan.

22                  “(iii) The interest rate for any loan  
23                  under section 428B or Federal Direct  
24                  PLUS Loan shall be a rate equal to the  
25                  lesser of—



1                   “(I) the rate for Federal Direct  
2                   PLUS Loans for the 12-month period  
3                   beginning on July 1, 2016, and end-  
4                   ing on June 30, 2017; or

5                   “(II) the original interest rate of  
6                   the component loan.

7                   “(iv) The interest rate for any compo-  
8                   nent loan that is a loan under section  
9                   428C or a Federal Direct Consolidation  
10                  Loan shall be the weighted average of the  
11                  interest rates that would apply under this  
12                  subparagraph for each loan comprising the  
13                  component consolidation loan.

14                  “(v) The interest rate for any eligible  
15                  loan that is a component of a loan made  
16                  under section 428C or a Federal Direct  
17                  Consolidation Loan and is not described in  
18                  clauses (i) through (iv) shall be the inter-  
19                  est rate on the original component loan.

20                  “(3) FIXED RATE.—The applicable rate of in-  
21                  terest determined under paragraph (1) for a refi-  
22                  nanced loan under this section shall be fixed for the  
23                  period of the loan.

24                  “(d) TERMS AND CONDITIONS OF LOANS.—

1           “(1) IN GENERAL.—A loan that is refinanced  
2           under this section shall have the same terms and  
3           conditions as the original loan, except as otherwise  
4           provided in this section.

5           “(2) NO AUTOMATIC EXTENSION OF REPAY-  
6           MENT PERIOD.—Refinancing a loan under this sec-  
7           tion shall not result in the extension of the duration  
8           of the repayment period of the loan, and the bor-  
9           rower shall retain the same repayment term that  
10          was in effect on the original loan. Nothing in this  
11          paragraph shall be construed to prevent a borrower  
12          from electing a different repayment plan at any time  
13          in accordance with section 455(d)(3).

14          “(e) DEFINITION OF QUALIFIED BORROWER.—

15                 “(1) IN GENERAL.—For purposes of this sec-  
16                 tion, the term ‘qualified borrower’ means a bor-  
17                 rower—

18                         “(A) of a loan under this part or part B  
19                         for which the first disbursement was made, or  
20                         the application for a consolidation loan was re-  
21                         ceived, before July 1, 2019; and

22                         “(B) who meets the eligibility requirements  
23                         based on income or debt-to-income ratio estab-  
24                         lished by the Secretary.

1           “(2) INCOME REQUIREMENTS.—Not later than  
2           180 days after the date of enactment of the Bank  
3           on Students Emergency Loan Refinancing Act, the  
4           Secretary shall establish eligibility requirements  
5           based on income or debt-to-income ratio that take  
6           into consideration providing access to refinancing  
7           under this section for borrowers with the greatest fi-  
8           nancial need.

9           “(f) NOTIFICATION TO BORROWERS.—The Secretary,  
10          in coordination with the Director of the Bureau of Con-  
11          sumer Financial Protection, shall undertake a campaign  
12          to alert borrowers of loans that are eligible for refinancing  
13          under this section that the borrowers are eligible to apply  
14          for such refinancing. The campaign shall include the fol-  
15          lowing activities:

16                 “(1) Developing consumer information mate-  
17                 rials about the availability of Federal student loan  
18                 refinancing.

19                 “(2) Requiring servicers of loans under this  
20                 part or part B to provide such consumer information  
21                 to borrowers in a manner determined appropriate by  
22                 the Secretary, in consultation with the Director of  
23                 the Bureau of Consumer Financial Protection.

1 **“SEC. 460B. FEDERAL DIRECT REFINANCED PRIVATE LOAN**  
2 **PROGRAM.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE PRIVATE EDUCATION LOAN.—

5 The term ‘eligible private education loan’ means a  
6 private education loan, as defined in section 140(a)  
7 of the Truth in Lending Act (15 U.S.C. 1650(a)),  
8 that—

9 “(A) was disbursed to the borrower before  
10 July 1, 2019; and

11 “(B) was for the borrower’s own postsec-  
12 ondary educational expenses for an eligible pro-  
13 gram at an institution of higher education par-  
14 ticipating in the loan program under this part,  
15 as of the date that the loan was disbursed.

16 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
17 LOAN.—The term ‘Federal Direct Refinanced Pri-  
18 vate Loan’ means a loan issued under subsection  
19 (b)(1).

20 “(3) PRIVATE EDUCATIONAL LENDER.—The  
21 term ‘private educational lender’ has the meaning  
22 given the term in section 140(a) of the Truth in  
23 Lending Act (15 U.S.C. 1650(a)).

24 “(4) QUALIFIED BORROWER.—The term ‘quali-  
25 fied borrower’ means an individual who—

26 “(A) has an eligible private education loan;

1           “(B) has been current on payments on the  
2           eligible private education loan for the 6 months  
3           prior to the date of the qualified borrower’s ap-  
4           plication for refinancing under this section, and  
5           is in good standing on the loan at the time of  
6           such application;

7           “(C) is not in default on the eligible pri-  
8           vate education loan or on any loan made, in-  
9           sured, or guaranteed under this part or part B  
10          or E; and

11          “(D) meets the eligibility requirements de-  
12          scribed in subsection (b)(2).

13          “(b) PROGRAM AUTHORIZED.—

14           “(1) IN GENERAL.—The Secretary, in consulta-  
15          tion with the Secretary of the Treasury, shall carry  
16          out a program under which the Secretary, upon ap-  
17          plication by a qualified borrower who has an eligible  
18          private education loan, shall issue such borrower a  
19          loan under this part in accordance with the fol-  
20          lowing:

21           “(A) The loan issued under this program  
22          shall be in an amount equal to the sum of the  
23          unpaid principal, accrued unpaid interest, and  
24          late charges of the private education loan.

1           “(B) The Secretary shall pay the proceeds  
2 of the loan issued under this program to the  
3 private educational lender of the private edu-  
4 cation loan, in order to discharge the qualified  
5 borrower from any remaining obligation to the  
6 lender with respect to the original loan.

7           “(C) The Secretary shall require that the  
8 qualified borrower undergo loan counseling that  
9 provides all of the information and counseling  
10 required under clauses (i) through (viii) of sec-  
11 tion 485(b)(1)(A) before the loan is refinanced  
12 in accordance with this section, and before the  
13 proceeds of such loan are paid to the private  
14 educational lender.

15           “(D) The Secretary shall issue the loan as  
16 a Federal Direct Refinanced Private Loan,  
17 which shall have the same terms, conditions,  
18 and benefits as a Federal Direct Unsubsidized  
19 Stafford Loan, except as otherwise provided in  
20 this section.

21           “(2) BORROWER ELIGIBILITY.—Not later than  
22 180 days after the date of enactment of the Bank  
23 on Students Emergency Loan Refinancing Act, the  
24 Secretary, in consultation with the Secretary of the  
25 Treasury and the Director of the Bureau of Con-

1 consumer Financial Protection, shall establish eligibility  
2 requirements—

3 “(A) based on income or debt-to-income  
4 ratio that take into consideration providing ac-  
5 cess to refinancing under this section for bor-  
6 rowers with the greatest financial need;

7 “(B) to ensure eligibility only for bor-  
8 rowers in good standing;

9 “(C) to minimize inequities between Fed-  
10 eral Direct Refinanced Private Loans and other  
11 Federal student loans;

12 “(D) to preclude windfall profits for pri-  
13 vate educational lenders; and

14 “(E) to ensure full access to the program  
15 authorized in this subsection for borrowers with  
16 private loans who otherwise meet the criteria  
17 established in accordance with subparagraphs  
18 (A) and (B).

19 “(c) INTEREST RATE.—

20 “(1) IN GENERAL.—The interest rate for a  
21 Federal Direct Refinanced Private Loan is—

22 “(A) in the case of a Federal Direct Refi-  
23 nanced Private Loan for a private education  
24 loan originally issued for undergraduate post-  
25 secondary educational expenses, a rate equal to

1 the rate for Federal Direct Stafford Loans and  
2 Federal Direct Unsubsidized Stafford Loans  
3 issued to undergraduate students for the 12-  
4 month period beginning on July 1, 2016, and  
5 ending on June 30, 2017; and

6 “(B) in the case of a Federal Direct Refi-  
7 nanced Private Loan for a private education  
8 loan originally issued for graduate or profes-  
9 sional degree postsecondary educational ex-  
10 penses, a rate equal to the rate for Federal Di-  
11 rect Unsubsidized Stafford Loans issued to  
12 graduate or professional students for the 12-  
13 month period beginning on July 1, 2016, and  
14 ending on June 30, 2017.

15 “(2) COMBINED UNDERGRADUATE AND GRAD-  
16 UATE STUDY LOANS.—If a Federal Direct Refi-  
17 nanced Private Loan is for a private education loan  
18 originally issued for both undergraduate and grad-  
19 uate or professional postsecondary educational ex-  
20 penses, the interest rate shall be a rate equal to the  
21 rate for Federal Direct PLUS Loans for the 12-  
22 month period beginning on July 1, 2016, and ending  
23 on June 30, 2017.

24 “(3) FIXED RATE.—The applicable rate of in-  
25 terest determined under this subsection for a Fed-



1           eral Direct Refinanced Private Loan shall be fixed  
2           for the period of the loan.

3           “(d) NO INCLUSION IN AGGREGATE LIMITS.—The  
4           amount of a Federal Direct Refinanced Private Loan, or  
5           a Federal Direct Consolidated Loan to the extent such  
6           loan was used to repay a Federal Direct Refinanced Pri-  
7           vate Loan, shall not be included in calculating a bor-  
8           rower’s annual or aggregate loan limits under section 428  
9           or 428H.

10          “(e) NO ELIGIBILITY FOR SERVICE-RELATED REPAY-  
11          MENT.—Notwithstanding sections 428K(a)(2)(A),  
12          428L(b)(2), 455(m)(3)(A), and 460(b), a Federal Direct  
13          Refinanced Private Loan, or any Federal Direct Consoli-  
14          dation Loan to the extent such loan was used to repay  
15          a Federal Direct Refinanced Private Loan, shall not be  
16          eligible for any loan repayment or loan forgiveness pro-  
17          gram under section 428K, 428L, or 460 or for the repay-  
18          ment plan for public service employees under section  
19          455(m).

20          “(f) PRIVATE EDUCATIONAL LENDER REPORTING  
21          REQUIREMENT.—

22                 “(1) REPORTING REQUIRED.—Not later than  
23                 180 days after the date of enactment of the Bank  
24                 on Students Emergency Loan Refinancing Act, the  
25                 Secretary, in consultation with the Secretary of the

1 Treasury and the Director of the Bureau of Con-  
2 sumer Financial Protection, shall establish a re-  
3 quirement that private educational lenders report  
4 the data described in paragraph (2) to the Sec-  
5 retary, to Congress, to the Secretary of the Treas-  
6 ury, and to the Director of the Bureau of Consumer  
7 Financial Protection, in order to allow for an assess-  
8 ment of the private education loan market.

9 “(2) CONTENTS OF REPORTING.—The data  
10 that private educational lenders shall report in ac-  
11 cordance with paragraph (1) shall include each of  
12 the following about private education loans (as de-  
13 fined in section 140(a) of the Truth in Lending Act  
14 (15 U.S.C. 1650(a)):

15 “(A) The total amount of private education  
16 loan debt the lender holds.

17 “(B) The total number of private edu-  
18 cation loan borrowers the lender serves.

19 “(C) The average interest rate on the out-  
20 standing private education loan debt held by the  
21 lender.

22 “(D) The proportion of private education  
23 loan borrowers who are in default on a loan  
24 held by the lender.

1           “(E) The proportion of the outstanding  
2           private education loan volume held by the lend-  
3           er that is in default.

4           “(F) The proportions of outstanding pri-  
5           vate education loan borrowers who are 30, 60,  
6           and 90 days delinquent.

7           “(G) The proportions of outstanding pri-  
8           vate education loan volume that is 30, 60, and  
9           90 days delinquent.

10          “(g) NOTIFICATION TO BORROWERS.—The Sec-  
11         retary, in coordination with the Secretary of the Treasury  
12         and the Director of the Bureau of Consumer Financial  
13         Protection, shall undertake a campaign to alert borrowers  
14         about the availability of private student loan refinancing  
15         under this section.”.

16          (c) AMENDMENTS TO PUBLIC SERVICE REPAYMENT  
17         PLAN PROVISIONS.—Section 455(m) of the Higher Edu-  
18         cation Act of 1965 (20 U.S.C. 1087e(m)) is amended—

19                 (1) by redesignating paragraphs (3) and (4) as  
20                 paragraphs (4) and (5), respectively;

21                 (2) by inserting after paragraph (2) the fol-  
22                 lowing:

23                 “(3) SPECIAL RULES FOR SECTION 460A  
24                 LOANS.—

1           “(A) REFINANCED FEDERAL DIRECT  
2           LOANS.—Notwithstanding paragraph (1), in de-  
3           termining the number of monthly payments  
4           that meet the requirements of such paragraph  
5           for an eligible Federal Direct Loan refinanced  
6           under section 460A that was originally a loan  
7           under this part, the Secretary shall include all  
8           monthly payments made on the original loan  
9           that meet the requirements of such paragraph.

10           “(B) REFINANCED FFEL LOANS.—In the  
11           case of an eligible Federal Direct Loan refi-  
12           nanced under section 460A that was originally  
13           a loan under part B, only monthly payments  
14           made after the date on which the loan was refi-  
15           nanced may be included for purposes of para-  
16           graph (1).”; and

17           (3) in paragraph (4)(A) (as redesignated by  
18           paragraph (1)), by inserting “(including any Federal  
19           Direct Stafford Loan, Federal Direct PLUS Loan,  
20           Federal Direct Unsubsidized Stafford Loan, or Fed-  
21           eral Direct Consolidation Loan refinanced under sec-  
22           tion 460A)” before the period at the end.

23           (d) INCOME-BASED REPAYMENT.—Section 493C of  
24           the Higher Education Act of 1965 (20 U.S.C. 1098e) is  
25           amended by adding at the end the following:

1 “(f) SPECIAL RULE FOR REFINANCED LOANS.—

2 “(1) REFINANCED FEDERAL DIRECT AND FFEL  
3 LOANS.—In calculating the period of time during  
4 which a borrower of a loan that is refinanced under  
5 section 460A has made monthly payments for pur-  
6 poses of subsection (b)(7), the Secretary shall deem  
7 the period to include all monthly payments made for  
8 the original loan, and all monthly payments made  
9 for the refinanced loan, that otherwise meet the re-  
10 quirements of this section.

11 “(2) FEDERAL DIRECT REFINANCED PRIVATE  
12 LOANS.—In calculating the period of time during  
13 which a borrower of a Federal Direct Refinanced  
14 Private Loan under section 460B has made monthly  
15 payments for purposes of subsection (b)(7), the Sec-  
16 retary shall include only payments—

17 “(A) that are made after the date of the  
18 issuance of the Federal Direct Refinanced Pri-  
19 vate Loan; and

20 “(B) that otherwise meet the requirements  
21 of this section.”.

1           **TITLE II—FAIR SHARE TAX**

2   **SEC. 201. FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS.**

3           (a) IN GENERAL.—Subchapter A of chapter 1 of the  
4 Internal Revenue Code of 1986 is amended by adding at  
5 the end the following new part:

6   **“PART VIII—FAIR SHARE TAX ON HIGH-INCOME**  
7                                   **TAXPAYERS**

“Sec. 59B. Fair share tax.

8   **“SEC. 59B. FAIR SHARE TAX.**

9           “(a) GENERAL RULE.—

10                   “(1) PHASE-IN OF TAX.—In the case of any  
11 high-income taxpayer, there is hereby imposed for a  
12 taxable year (in addition to any other tax imposed  
13 by this subtitle) a tax equal to the product of—

14                           “(A) the amount determined under para-  
15 graph (2), and

16                           “(B) a fraction (not to exceed 1)—

17                                   “(i) the numerator of which is the ex-  
18 cess of—

19   “(I) the taxpayer’s adjusted  
20 gross income, over

21   “(II) the dollar amount in effect  
22 under subsection (c)(1), and

1                   “(ii) the denominator of which is the  
2                   dollar amount in effect under subsection  
3                   (c)(1).

4                   “(2) AMOUNT OF TAX.—The amount of tax de-  
5                   termined under this paragraph is an amount equal  
6                   to the excess (if any) of—

7                   “(A) the tentative fair share tax for the  
8                   taxable year, over

9                   “(B) the excess of—

10                   “(i) the sum of—

11                   “(I) the regular tax liability (as  
12                   defined in section 26(b)) for the tax-  
13                   able year, determined without regard  
14                   to any tax liability determined under  
15                   this section,

16                   “(II) the tax imposed by section  
17                   55 for the taxable year, plus

18                   “(III) the payroll tax for the tax-  
19                   able year, over

20                   “(ii) the credits allowable under part  
21                   IV of subchapter A (other than sections  
22                   27(a), 31, and 34).

23                   “(b) TENTATIVE FAIR SHARE TAX.—For purposes  
24                   of this section—

1           “(1) IN GENERAL.—The tentative fair share tax  
2 for the taxable year is 30 percent of the excess of—

3           “(A) the adjusted gross income of the tax-  
4 payer, over

5           “(B) the modified charitable contribution  
6 deduction for the taxable year.

7           “(2) MODIFIED CHARITABLE CONTRIBUTION  
8 DEDUCTION.—For purposes of paragraph (1)—

9           “(A) IN GENERAL.—The modified chari-  
10 table contribution deduction for any taxable  
11 year is an amount equal to the amount which  
12 bears the same ratio to the deduction allowable  
13 under section 170 (section 642(c) in the case of  
14 a trust or estate) for such taxable year as—

15           “(i) the amount of itemized deduc-  
16 tions allowable under the regular tax (as  
17 defined in section 55) for such taxable  
18 year, determined after the application of  
19 section 68, bears to

20           “(ii) such amount, determined before  
21 the application of section 68.

22           “(B) TAXPAYER MUST ITEMIZE.—In the  
23 case of any individual who does not elect to  
24 itemize deductions for the taxable year, the



1 modified charitable contribution deduction shall  
2 be zero.

3 “(c) HIGH-INCOME TAXPAYER.—For purposes of this  
4 section—

5 “(1) IN GENERAL.—The term ‘high-income tax-  
6 payer’ means, with respect to any taxable year, any  
7 taxpayer (other than a corporation) with an adjusted  
8 gross income for such taxable year in excess of  
9 \$1,000,000 (50 percent of such amount in the case  
10 of a married individual who files a separate return).

11 “(2) INFLATION ADJUSTMENT.—

12 “(A) IN GENERAL.—In the case of a tax-  
13 able year beginning after 2020, the \$1,000,000  
14 amount under paragraph (1) shall be increased  
15 by an amount equal to—

16 “(i) such dollar amount, multiplied by

17 “(ii) the cost-of-living adjustment de-  
18 termined under section 1(f)(3) for the cal-  
19 endar year in which the taxable year be-  
20 gins, determined by substituting ‘calendar  
21 year 2019’ for ‘calendar year 2016’ in sub-  
22 paragraph (A)(ii) thereof.

23 “(B) ROUNDING.—If any amount as ad-  
24 justed under subparagraph (A) is not a multiple

1           of \$10,000, such amount shall be rounded to  
2           the next lowest multiple of \$10,000.

3           “(d) PAYROLL TAX.—For purposes of this section,  
4 the payroll tax for any taxable year is an amount equal  
5 to the excess of—

6           “(1) the taxes imposed on the taxpayer under  
7 sections 1401, 1411, 3101, 3201, and 3211(a) (to  
8 the extent such tax is attributable to the rate of tax  
9 in effect under section 3101) with respect to such  
10 taxable year or wages or compensation received dur-  
11 ing such taxable year, over

12           “(2) the deduction allowable under section  
13 164(f) for such taxable year.

14           “(e) SPECIAL RULE FOR ESTATES AND TRUSTS.—  
15 For purposes of this section, in the case of an estate or  
16 trust, adjusted gross income shall be computed in the  
17 manner described in section 67(e).

18           “(f) NOT TREATED AS TAX IMPOSED BY THIS CHAP-  
19 TER FOR CERTAIN PURPOSES.—The tax imposed under  
20 this section shall not be treated as tax imposed by this  
21 chapter for purposes of determining the amount of any  
22 credit under this chapter (other than the credit allowed  
23 under section 27(a)) or for purposes of section 55.”.

1 (b) CLERICAL AMENDMENT.—The table of parts for  
2 subchapter A of chapter 1 of such Code is amended by  
3 adding at the end the following new item:

“PART VIII—FAIR SHARE TAX ON HIGH-INCOME TAXPAYERS”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2019.

7 **TITLE III—DEFICIT NEUTRAL IM-**  
8 **PLEMENTATION OF STUDENT**  
9 **LOAN REFINANCING PRO-**  
10 **GRAMS**

11 **SEC. 301. DEFICIT NEUTRAL IMPLEMENTATION OF STU-**  
12 **DENT LOAN REFINANCING PROGRAMS;**  
13 **BUDGETARY EFFECTS.**

14 (a) AMOUNT OF REVENUE.—The Secretary of Edu-  
15 cation shall estimate the amount that is equal to the  
16 amount of the net increase in revenue received in the  
17 Treasury during the 10-year period beginning on the date  
18 of enactment of this Act attributable to the amendments  
19 made by title II of this Act.

20 (b) DEFICIT-NEUTRAL TERMINATION OF THE REFI-  
21 NANCING PROGRAM.—The Secretary of Education shall  
22 terminate the refinancing programs carried out under sec-  
23 tions 460A and 460B of the Higher Education Act of  
24 1965 on the date that the net cost of carrying out such  
25 refinancing programs is equal to the amount of additional

1 revenue estimated under subsection (a) or on the date that  
2 is 2 years after the date of enactment of this Act, which-  
3 ever occurs first.

4 (c) DEFICIT REDUCTION.—Any remaining increase  
5 in revenue described in subsection (a) and not used for  
6 the refinancing programs carried out under sections 460A  
7 and 460B of the Higher Education Act of 1965 shall be  
8 returned to the general fund of the Treasury for Federal  
9 budget deficit reduction.

10 (d) METHODOLOGY.—When estimating cost and rev-  
11 enue under this section, the Secretary of Education shall  
12 utilize the accounting methods and assumptions that are  
13 used by the Congressional Budget Office, as of the date  
14 of enactment of this Act, to make such estimations.

15 **SEC. 302. BUDGETARY EFFECTS.**

16 The budgetary effects of this Act and the amend-  
17 ments made by this Act shall not be entered on either  
18 PAYGO scorecard maintained pursuant to section 4(d) of  
19 the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C.  
20 933(d)).