

116TH CONGRESS  
2D SESSION

# H. R. 6743

To amend the CARES Act to exclude from gross income emergency financial aid grants to students, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mr. DANNY K. DAVIS of Illinois introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the CARES Act to exclude from gross income emergency financial aid grants to students, 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 “Protect Vulnerable  
5 Students from Surprise Tax Bills Act”.

6 **SEC. 2. EXCLUSION OF EMERGENCY FINANCIAL AID**  
7 **GRANTS FROM GROSS INCOME.**

8 (a) IN GENERAL.—

9 (1) EXCLUSION FROM GROSS INCOME.—For  
10 purposes of the Internal Revenue Code of 1986,

gross income shall not include any qualified emergency financial aid grant.

(2) QUALIFIED EMERGENCY FINANCIAL AID GRANT.—The term “qualified emergency financial aid grant” means any amount received by an individual who—

(A) is a candidate for a degree at an eligible educational institution described in section 25A(f)(2) of the Internal Revenue Code of 1986, and—

(B) received an emergency financial aid grant—

(i) pursuant to section 18004 of the CARES Act for expenses related to the disruption of campus operations due to COVID–19 (including eligible expenses under a student’s cost of attendance, such as food, housing, course materials, technology, health care, and child care);

(ii) pursuant to section 3504(a) of such Act, or pursuant to a grant use modification under section 3518(a) of such Act, for unexpected expenses and unmet financial need as the result of a qualifying

1 emergency as defined in section 3502(a)(4)  
2 of such Act; or

3 (iii) pursuant to section 18008 of  
4 such Act for expenses directly related to  
5 coronavirus and the disruption of univer-  
6 sity operations.

7 (b) EFFECTIVE DATE.—This section shall apply to  
8 emergency financial aid grants made after March 26,  
9 2020.

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