



NEW YORK STATE SENATOR

Michael Gianaris

Senate Deputy Leader Gianaris: Student Debt Forgiveness Shouldn't Be Taxed By State; Will Introduce New Bill To Make Sure Relief Not Treated Like Income

MICHAEL GIANARIS August 29, 2022

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NEW YORK, N.Y. – Senate Deputy Leader Michael Gianaris announced new legislation that would exempt student loan forgiveness from being subject to state income taxes. Currently, [state law could treat](#) any student loan forgiveness as taxable income. New York is one of thirteen states that treats student loan forgiveness as income for tax purposes.

“Relieving student debt is critical for so many across New York. It should not turn into a cash grab by the state,” said **Senate Deputy Leader Michael Gianaris**. “This is an important step in making it easier to access the higher education and career training New Yorkers need and deserve.”

Last week, President Joe Biden announced the federal Department of Education would forgive \$10,000 of student loan debt for most borrowers, and up to \$20,000 for Pell Grant recipients. As part of provisions in the American Rescue Plan Act (ARPA), the money is exempt from federal income taxation. Senator Gianaris’ bill would ensure New York law conforms to the ARPA tax provisions. Senator Gianaris will push for the bill to receive a vote at the earliest possible opportunity.

Senator Brad Hoylman, co-prime sponsor said, “New York State shouldn’t receive a windfall on the backs of low- and middle-income student borrowers. I’m proud to partner with Deputy Leader Michael Gianaris in introducing this bill to conform New York’s law with federal practices and save New Yorkers hundreds of dollars this tax season.”

Jon Brown, a human services worker and New York City student loan holder said, “As someone working human services, loan forgiveness could be a life saver but if New York chooses to tax this money, it will become a burden. I support Senator Gianaris’ effort to get people like me closer to paying off their student loans, not deeper in the hole.”