

Tax Issues

**Solicitation of Interest #20283**

Nurses Across New York Loan Repayment Program – Cycle I

Funds to support loan repayment under the NANY Program may be currently exempt from federal and state taxes. If you receive monies for loan repayment, you should not be issued a 1099 statement. Please consult your tax professional for more information about your specific tax situation.

Section 10908 of the Patient Protection and Affordable Care Act (PL 111-148) addresses federal taxability of state loan repayment programs that are not part of the Federal State Loan Repayment (SLRP) program. This section puts the state loan repayment programs on par with the federal/state SLRP programs in terms of federal taxability. The text is as follows:

SEC. 10908. Exclusion for assistance provided to participants in state student loan repayment programs for certain health professionals.

(a) In general — Paragraph (4) of section 108(f) of the Internal Revenue Code of 1986 is amended to read as follows:

"(4) Payments under national health service corps loan repayment program and certain state loan repayment programs.—In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act, or under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State)."

(b) Effective date — The amendment made by this section shall apply to amounts received by an individual in taxable years beginning after December 31, 2008.

**PLEASE CONSULT YOUR TAX PROFESSIONAL FOR MORE INFORMATION ABOUT YOUR SPECIFIC TAX SITUATION.**