

119TH CONGRESS  
2D SESSION

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To amend the Internal Revenue Code of 1986 to exempt qualified student loan bonds from the volume cap and the alternative minimum tax.

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IN THE SENATE OF THE UNITED STATES

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Mr. GRASSLEY (for himself and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Internal Revenue Code of 1986 to exempt qualified student loan bonds from the volume cap and the alternative minimum tax.

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 “Student Loan Bond  
5 Expansion Act of 2026”.

6 **SEC. 2. QUALIFIED STUDENT LOAN BONDS EXEMPT FROM  
7 VOLUME CAP AND ALTERNATIVE MINIMUM  
8 TAX.**

9       (a) EXEMPTION FROM VOLUME CAP.—

20 (b) EXEMPTION FROM ALTERNATIVE MINIMUM  
21 TAX.—Section 57(a)(5)(C) of the Internal Revenue Code  
22 of 1986 is amended by redesignating clauses (iv), (v), and  
23 (vi) as clauses (v), (vi), and (vii), respectively, and by in-  
24 serting after clause (iii) the following new clause:

1                             “(iv) EXCEPTION FOR QUALIFIED  
2                             STUDENT LOAN BONDS.—For purposes of  
3                             clause (i), the term ‘private activity bond’  
4                             shall not include any bond issued after the  
5                             date of the enactment of this clause if such  
6                             bond is a qualified student loan bond (as  
7                             defined in section 144(b)). The preceding  
8                             sentence shall not apply to any refunding  
9                             bond unless such preceding sentence ap-  
10                             plied to the refunded bond (or in the case  
11                             of a series of refundings, the original  
12                             bond).”.

13                     (c) EFFECTIVE DATES.—The amendments made by  
14                     this section shall apply to obligations issued after the date  
15                     of the enactment of this Act.