



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

The Honorable Angus King
133 Hart Senate Office Building
Washington, D.C. 20510

March 25, 2016

Dear Senator King –

It is the pleasure of the undersigned member organizations of the Education, Financial Security, and Social Security Task Forces of the Consortium for Citizens with Disabilities (CCD) to provide you with this letter of support for the Stop Taxing Death and Disability Act of 2016. The CCD is a working coalition of national consumer, advocacy, provider, and professional organizations working together with and on behalf of the approximately 57 million children and adults with disabilities and their families living in the United States.

Congress recognized in 1965 that having a work limiting disability can make it impossible for an individual to pay back their student loans in some circumstances and as a result passed the provision allowing for the discharge of student loans due to total and permanent disability. Unfortunately, this discharge is currently treated as income for tax purposes creating thousands and sometimes tens of thousands of dollars of tax liability for an individual whose loans are discharged. This makes no sense. An individual with a disability who cannot afford to pay back their student loans cannot afford to pay back a tax debt either.

In addition, the discharge being treated as income for tax purposes can cause the person with a disability to become ineligible for programs and services the individual relies upon to live independently. For example, it might make someone ineligible for certain Medicaid coverage or premium tax subsidies for the purchase of health insurance through the Marketplaces under the Affordable Care Act because those programs use modified adjusted gross income to determine eligibility. This is true for any local, state, or Federal program that uses the income reported on tax forms for eligibility purposes. Individuals receiving Social Security Disability Insurance payments can also have those vital but very modest benefits garnished to satisfy a tax debt potentially leaving an individual without sufficient income with which to pay for basic necessities such as housing and food.

Thank you for introducing this legislation to no longer treat student loan discharges on the basis of total and permanent disability as income for tax purposes. We look forward to working with you to get this bill passed so that people with disabilities are no longer hurt by the unintended economic consequences of utilizing this discharge provision.

Sincerely,

American Foundation for the Blind

American Network of Community Options and Resources (ANCOR)

Association of University Centers on Disabilities

Autistic Self Advocacy Network

Christopher & Dana Reeve Foundation

Goodwill Industries International

Justice in Aging

Lutheran Services in America Disability Network

National Academy of Elder Law Attorneys

National Alliance on Mental Illness

National Association of Councils on Developmental Disabilities

National Association of Disability Representatives

National Disability Institute

National Disability Rights Network

National Down Syndrome Congress

National Organization of Social Security Claimants' Representatives (NOSSCR)

Paralyzed Veterans of America

The Arc of the United States

United Spinal Association