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DOLE PROPOSAL TO REINSTATE TAX EXEMPTION FOR HEALTH SCHOLARSHIPS SIGNED INTO LAW

WASHINGTON, D.C. -- Senator Bob Dole's proposal to reinstate the tax exemption for monies received by participants in the armed forces health professions scholarships program, and programs of similar intent, including the Public Health Service/National Health Service Corps Scholarships, was signed into law on November 12. The Dole measure, to extend the exemption for 2 years, was part of H.R. 3387, which became Public Law 95-171.

Dole had also introduced legislation designed to replace the exemption permanently. During the discussions on the Tax Reform Act of 1976, it was suggested that more comprehensive information should be gathered prior to any permanent decisions on the tax treatment of scholarhsips and loans. Dole noted in his statement that information pursuant to this suggestion was just beginning to be gathered. Dole went on to say, "I am hopeful that the information will be compiled and available prior to our consideration of new major tax reform...the two year exemption that I suggest ensures that students in these fine programs will be covered while a final decision on tax exemption, based on sufficient information is made by the Congress."