

104TH CONGRESS
1ST SESSION

S. 502

To clarify the tax treatment of certain disability benefits received by former police officers or firefighters.

IN THE SENATE OF THE UNITED STATES

MARCH 6, 1995

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

A BILL

To clarify the tax treatment of certain disability benefits
received by former police officers or firefighters.

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. TREATMENT OF CERTAIN DISABILITY BENE-**
4 **FITS RECEIVED BY FORMER POLICE OFFI-**
5 **CERS OR FIREFIGHTERS.**

6 (a) GENERAL RULE.—For purposes of determining
7 whether any amount to which this section applies is ex-
8 cludable from gross income under section 104(a)(1) of the
9 Internal Revenue Code of 1986, the following conditions

1 shall be treated as personal injuries or sickness in the
2 course of employment:

3 (1) Heart disease.

4 (2) Hypertension.

5 (b) AMOUNTS TO WHICH SECTION APPLIES.—This
6 section shall apply to any amount—

7 (1) which is payable—

8 (A) to an individual (or to the survivors of
9 an individual) who was a full-time employee of
10 any police department or fire department which
11 is organized and operated by a State, by any
12 political subdivision thereof, or by any agency
13 or instrumentality of a State or political sub-
14 division thereof, and

15 (B) under a State law (as in existence on
16 July 1, 1992) which irrebuttably presumed that
17 heart disease and hypertension are work-related
18 illnesses but only for employees separating from
19 service before such date; and

20 (2) which is received in calendar year 1989,
21 1990, or 1991.

22 For purposes of the preceding sentence, the term “State”
23 includes the District of Columbia.

24 (c) WAIVER OF STATUTE OF LIMITATIONS.—If, on
25 the date of the enactment of this Act (or at any time with-

1 in the 1-year period beginning on such date of enactment)
2 credit or refund of any overpayment of tax resulting from
3 the provisions of this section is barred by any law or rule
4 of law, credit or refund of such overpayment shall, never-
5 theless, be allowed or made if claim therefore is filed be-
6 fore the date 1 year after such date of enactment.

