

107TH CONGRESS
1ST SESSION

S. 1423

To amend the Internal Revenue Code of 1986 to provide tax relief for military or civilian employees of the United States who are victims of terrorist attacks against the United States.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 2001

Mr. BUNNING introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide tax relief for military or civilian employees of the United States who are victims of terrorist attacks against the United States.

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. INCOME TAXES OF UNITED STATES MILITARY**
4 **AND CIVILIAN EMPLOYEES WHO ARE VIC-**
5 **TIMS OF TERRORIST ATTACKS.**

6 (a) IN GENERAL.—Section 692(c) of the Internal
7 Revenue Code of 1986 (relating to income taxes of mili-
8 tary or civilian employees of the United States dying as

1 a result of injuries sustained overseas) is amended by
 2 striking “outside the United States”.

3 (b) CONFORMING AMENDMENT.—The heading of sec-
 4 tion 692(c) of such Code is amended by striking “OVER-
 5 SEAS” and inserting “AS A RESULT OF TERRORISTIC OR
 6 MILITARY ACTION”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to taxable years ending on or after
 9 September 11, 2001.

10 **SEC. 2. RELIEF FROM ADDITIONAL ESTATE TAX.**

11 (a) IN GENERAL.—Section 2201 of the Internal Rev-
 12 enue Code of 1986 is amended—

13 (1) in the first sentence by inserting “(a) IN
 14 GENERAL.—” before “The additional estate tax”,
 15 and

16 (2) by adding at the end the following:

17 “(b) UNITED STATES MILITARY OR CIVILIAN EM-
 18 PLOYEES WHO ARE VICTIMS OF CERTAIN TERRORIST AT-
 19 TACKS.—The additional estate tax shall not apply to the
 20 transfer of the taxable estate of any individual dying while
 21 in active service as a military or civilian employee of the
 22 United States if such decedent dies as a result of wounds
 23 or injuries incurred in a terroristic or military action (as
 24 defined in section 692(c)(2)). The preceding sentence shall
 25 not apply with respect to any individual whom the Sec-

1 retary determines was a perpetrator of any such terrorist
 2 attack.”.

3 (b) CLERICAL AMENDMENTS.—

4 (1) The heading of section 2201 of such Code
 5 is amended to read as follows:

6 **“SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS**
 7 **OF THE ARMED FORCES AND DEATHS OF VIC-**
 8 **TIMS OF CERTAIN TERRORIST ATTACKS.”.**

9 (2) The item relating to section 2201 in the
 10 table of sections for subchapter C of chapter 11 of
 11 such Code is amended to read as follows:

“Sec. 2201. Combat zone-related deaths of members of the Armed
 Forces and deaths of victims of certain terrorist at-
 tacks.”.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to estates of decedents dying on
 14 or after September 11, 2001.

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