

104TH CONGRESS
1ST SESSION

S. 986

To amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to United States citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

IN THE SENATE OF THE UNITED STATES

JUNE 29 (legislative day, JUNE 19), 1995

Mr. D'AMATO (for himself, Mr. MOYNIHAN, Mr. NICKLES, and Mr. INHOFE) 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 that the Federal income tax shall not apply to United States citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. INCOME TAX NOT TO APPLY TO UNITED**
2 **STATES CITIZENS KILLED BY TERRORISTIC**
3 **ACTIONS AGAINST THE UNITED STATES OR**
4 **THEIR PARENTS IN THE CASE OF MINOR**
5 **CHILDREN.**

6 (a) APPLICATION TO ALL UNITED STATES CITIZENS
7 AND PARENTS OF MINOR CHILDREN.—Section 692(c) of
8 the Internal Revenue Code of 1986 (relating to taxation
9 of the United States employees dying as a result of inju-
10 ries sustained overseas) is amended by redesignating para-
11 graphs (2) and (3) as paragraphs (3) and (4) and by in-
12 serting after paragraph (1) the following new paragraph:

13 “(2) EXTENSION TO ALL CITIZENS AND PAR-
14 ENTS OF MINOR CHILDREN.—Paragraph (1) shall
15 also apply to—

16 “(A) a citizen of the United States who
17 dies as a result of wounds or injury incurred in
18 a terroristic action described in paragraph
19 (3)(A) in which the individual was not a partici-
20 pant, and

21 “(B) if the individual described in subpara-
22 graph (A) has not attained the age of 19 prior
23 to death, the parent of the individual, but only
24 for the taxable year of the parent in which the
25 individual died and only if the parent is allowed
26 a deduction under section 151 for the individual

1 for the taxable year (without regard to this sub-
2 section).”

3 (b) EXTENSION TO ACTIONS WITHIN THE UNITED
4 STATES.—Paragraph (1) of section 692(c) of the Internal
5 Revenue Code of 1986 (relating to taxation of United
6 States employees dying as a result of injuries sustained
7 overseas) is amended by striking “outside the United
8 States”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Paragraph (4) of section 692(c) of the In-
11 ternal Revenue Code of 1986, as redesignated by
12 subsection (a), is amended by striking “paragraph
13 (2)” and inserting “paragraph (3)”.

14 (2) The heading for section 692(c) of such Code
15 is amended to read as follows:

16 “(c) CERTAIN INDIVIDUALS DYING AS A RESULT OF
17 TERRORISTIC OR MILITARY ACTIONS.—”

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to individuals dying after Decem-
20 ber 31, 1992.

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