

105TH CONGRESS  
2D SESSION

# H. R. 4346

To amend the Internal Revenue Code of 1986 to provide exemptions from taxation with respect to public safety officers killed in the line of duty.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1998

Mr. BUNNING introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide exemptions from taxation with respect to public safety officers killed in the line of duty.

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. SHORT TITLE.**

4 This Act may be cited as the “Fallen Heroes Act”.

5 **SEC. 2. EXEMPTIONS FROM TAXATION WITH RESPECT TO**

6 **PUBLIC SAFETY OFFICERS KILLED IN THE**

7 **LINE OF DUTY.**

8 (a) EXEMPTION FROM INCOME AND ESTATE AND

9 GIFT TAX.—

1           (1) IN GENERAL.—Chapter 77 of the Internal  
2 Revenue Code of 1986 (relating to miscellaneous  
3 provisions) is amended by adding at the end the fol-  
4 lowing new section:

5 **“SEC. 7527. PUBLIC SAFETY OFFICERS KILLED IN THE LINE**  
6 **OF DUTY.**

7           “(a) IN GENERAL.—In the case of an individual who  
8 at the time of death is a public safety officer killed in the  
9 line of duty—

10           “(1) any tax imposed by subtitle A shall not  
11 apply with respect to the taxable year in which falls  
12 the date of his death,

13           “(2) any tax under subtitle A which is unpaid  
14 at the date of his death (including interest, additions  
15 to the tax, and additional amounts) shall not be as-  
16 sessed, and if assessed the assessment shall be  
17 abated, and if collected shall be credited or refunded  
18 as an overpayment,

19           “(3) any tax imposed by chapter 11 shall not  
20 apply with respect to the estate of such individual,

21           “(4) any tax imposed by chapter 12 on the  
22 transfer of property by gift by such individual dur-  
23 ing the calendar year in which falls the date of his  
24 death shall not apply, and

1           “(5) any tax imposed by chapter 13 on a gen-  
2           eration-skipping transfer by such individual shall not  
3           apply.

4           “(b) EXCEPTIONS.—For purposes of subsection (a),  
5           rules similar to the rules of paragraph (2) of section  
6           101(h) shall apply.

7           “(c) PUBLIC SAFETY OFFICER.—For purposes of  
8           subsection (a), the term ‘public safety officer’ has the  
9           meaning given such term by section 101(h).”.

10           (2) CLERICAL AMENDMENT.—The table of sec-  
11           tions for chapter 77 of such Code is amended by in-  
12           serting after the item relating to section 692 the fol-  
13           lowing new item:

                  “Sec. 7527. Public safety officers killed in the line of duty.”.

14           (b) EXEMPTIONS FOR RETIREMENT AND SURVIVOR  
15           BENEFITS.—So much of subsection (h) of section 101 of  
16           such Code as precedes paragraph (2) is amended to read  
17           as follows:

18           “(h) DISTRIBUTIONS FROM RETIREMENT PLAN OF  
19           PUBLIC SAFETY OFFICER WHO IS KILLED IN THE LINE  
20           OF DUTY.—

21           “(1) IN GENERAL.—Gross income shall not in-  
22           clude any distribution from a pension, annuity, re-  
23           tirement, bonus, or profit sharing plan on account of  
24           the death of an individual who, at the time of death,  
25           is a public safety officer (as such term is defined in

1 section 1204 of the Omnibus Crime Control and  
2 Safe Streets Act of 1968) killed in the line of  
3 duty.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply with respect to deaths occurring  
6 after July 23, 1998.

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