

107TH CONGRESS
1ST SESSION

H. R. 1856

To provide relief from Federal tax liability arising from the settlement of claims brought by African American farmers against the Department of Agriculture for discrimination in farm credit and benefit programs and to exclude amounts received under such settlement from means-based determinations under programs funded in whole or in part with Federal funds.

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2001

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

A BILL

To provide relief from Federal tax liability arising from the settlement of claims brought by African American farmers against the Department of Agriculture for discrimination in farm credit and benefit programs and to exclude amounts received under such settlement from means-based determinations under programs funded in whole or in part with Federal funds.

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. SHORT TITLE.**

2 This Act may be cited as the “Black Farmer Fairness
3 Act of 2001”.

4 **SEC. 2. RELIEF FROM FEDERAL TAX LIABILITY ARISING**
5 **FROM THE SETTLEMENT OF CLAIMS BY AFRI-**
6 **CAN AMERICAN FARMERS AGAINST THE DE-**
7 **PARTMENT OF AGRICULTURE FOR DISCRIMI-**
8 **NATION IN FARM CREDIT AND BENEFIT PRO-**
9 **GRAMS.**

10 Notwithstanding any provision of the Internal Rev-
11 enue Code of 1986, in the case of a person who is certified
12 to be a member of the plaintiff class in the settlement of
13 the consolidated actions entitled “Pigford, et al. v. Glick-
14 man”, No. 97–1978 (D.D.C.) (PLF), and “Brewington,
15 et al. v. Glickman” No. 98–1693 (D.D.C.) (PLF)—

16 (1) gross income for purposes of subtitle A of
17 such Code (relating to income taxes) shall not
18 include—

19 (A) any amount of a cash payment re-
20 ceived under such settlement, and

21 (B) any amount which (but for this sec-
22 tion) would be includible in gross income by
23 reason of the discharge of indebtedness pursu-
24 ant to such settlement, and

25 (2) no amount shall be includible in the gross
26 estate of any such person for purposes of chapter 11

1 of such Code (relating to estate taxes) by reason of
2 an interest in such settlement.

3 **SEC. 3. TREATMENT OF PAYMENTS UNDER PROGRAMS**
4 **FUNDED IN WHOLE OR IN PART WITH FED-**
5 **ERAL FUNDS.**

6 Notwithstanding any other provision of law, with re-
7 spect to any calendar year in which a person receives an
8 amount under the settlement described in section 2, such
9 amount shall not—

10 (1) be considered income or resources in deter-
11 mining eligibility for,

12 (2) be used as a basis for denying or reducing
13 funds under, or

14 (3) be used as a basis for determining the
15 amount of assistance under,

16 any program funded in whole or in part with Federal
17 funds.

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