

107TH CONGRESS  
1ST SESSION

# S. 1440

To amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States on September 11, 2001.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2001

Mr. CRAIG introduced the following bill; which was referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States on September 11, 2001.

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 “Victims of Terrorism  
5 Relief Act of 2001”.

6 **SEC. 2. INCOME TAXES OF VICTIMS OF TERRORIST AT-**  
7 **TACKS.**

8 (a) IN GENERAL.—Section 692 of the Internal Rev-  
9 enue Code of 1986 (relating to income taxes of members

1 of Armed Forces on death) is amended by adding at the  
2 end the following new subsection:

3 “(d) CERTAIN INDIVIDUALS DYING AS A RESULT OF  
4 SEPTEMBER 11, 2001, TERRORIST ATTACKS.—

5 “(1) IN GENERAL.—In the case of any indi-  
6 vidual who dies as a result of wounds or injury in-  
7 curred as a result of the terrorist attacks against the  
8 United States on September 11, 2001, any tax im-  
9 posed by this subtitle shall not apply—

10 “(A) with respect to the taxable year in  
11 which falls the date of such individual’s death,  
12 and

13 “(B) with respect to any prior taxable year  
14 in the period beginning with the last taxable  
15 year ending before the taxable year in which the  
16 wounds or injury were incurred.

17 “(2) EXCEPTION.—Paragraph (1) shall not  
18 apply to an individual whom the Secretary deter-  
19 mines was a perpetrator of any such terrorist at-  
20 tack.”.

21 (b) CONFORMING AND CLERICAL AMENDMENTS.—

22 (1) The heading of section 692 of such Code is  
23 amended to read as follows:

1 **“SEC. 692. INCOME TAXES OF MEMBERS OF ARMED FORCES**  
2 **ON DEATH AND VICTIMS OF CERTAIN TER-**  
3 **RORIST ATTACKS.”.**

4 (2) The item relating to section 692 in the table  
5 of sections for part II of subchapter J of chapter 1  
6 of such Code is amended to read as follows:

“Sec. 692. Income taxes of members of Armed Forces on death  
and victims of certain terrorist attacks.”.

7 (3) Section 5(b)(1) of such Code is amended by  
8 inserting “and victims of certain terrorist attacks”  
9 after “on death”.

10 (4) Section 6013(f)(2)(B) of such Code is  
11 amended by inserting “and victims of certain ter-  
12 rorist attacks” after “on death”.

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

16 **SEC. 3. RELIEF FROM ADDITIONAL ESTATE TAX.**

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

19 (1) in the first sentence by inserting “(a) IN  
20 GENERAL.—” before “The additional estate tax”,  
21 and

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

23 “(b) VICTIMS OF CERTAIN TERRORIST ATTACKS.—  
24 The additional estate tax shall not apply to the transfer

1 of the taxable estate of any individual who dies as a result  
 2 of wounds or injury incurred as a result of the terrorist  
 3 attacks against the United States on September 11, 2001.  
 4 The preceding sentence shall not apply with respect to any  
 5 individual whom the Secretary determines was a pepe-  
 6 trator of any such terrorist attack.”.

7 (b) CLERICAL AMENDMENTS.—

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

10 **“SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS**  
 11 **OF THE ARMED FORCES AND DEATHS OF VIC-**  
 12 **TIMS OF CERTAIN TERRORIST ATTACKS.”.**

13 (2) The item relating to section 2201 in the  
 14 table of sections for subchapter C of chapter 11 of  
 15 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.”.

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

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