

107TH CONGRESS
2D SESSION

S. 2824

To amend the Internal Revenue Code of 1986 to provide for the treatment of single sum deferred compensation payments received by survivors of terrorist attack victims.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2002

Mr. KERRY (for himself and Mr. KENNEDY) 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 for the treatment of single sum deferred compensation payments received by survivors of terrorist attack victims.

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. TREATMENT OF SINGLE SUM DEFERRED COM-**
4 **PENSATION PAYMENTS RECEIVED BY SUR-**
5 **VIVORS OF TERRORIST ATTACK VICTIMS.**

6 (a) IN GENERAL.—Section 1 of the Internal Revenue
7 Code of 1986 (relating to tax imposed) is amended by add-
8 ing at the end the following new subsection:

1 “(j) TREATMENT OF SINGLE SUM DEFERRED COM-
2 PENSATION PAYMENTS RECEIVED BY SURVIVORS OF TER-
3 RORIST ATTACK VICTIMS.—

4 “(1) IN GENERAL.—If a taxpayer receives a
5 single sum payment of compensation from the em-
6 ployer of an employee who is a specified terrorist
7 victim for any taxable year, the tax imposed by this
8 section for such taxable year shall not exceed the
9 sum of—

10 “(A) a tax computed at the rates and in
11 the same manner as if this subsection had not
12 been enacted on taxable income reduced by the
13 amount of such payment, and

14 “(B) the taxpayer’s applicable marginal
15 rate for such taxable year times the amount of
16 such payment.

17 “(2) SPECIFIED TERRORIST VICTIM.—For pur-
18 poses of this subsection, the term ‘specified terrorist
19 victim’ has the meaning given such term by section
20 692(d)(4).

21 “(3) APPLICABLE MARGINAL RATE.—For pur-
22 poses of this subsection, the term ‘applicable mar-
23 ginal rate’ means, for any taxable year, the greater
24 of—

1 “(A) the highest rate of tax used in com-
2 puting the tax described in paragraph (1)(A),
3 or

4 “(B) 15 percent.”.

5 (b) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

6 (1) EFFECTIVE DATE.—The amendment made
7 by this section shall apply to taxable years ending
8 before, on, or after September 11, 2001.

9 (2) WAIVER OF LIMITATIONS.—If refund or
10 credit of any overpayment of tax resulting from the
11 amendment made by this section is prevented at any
12 time before the close of the 1-year period beginning
13 on the date of the enactment of this Act by the oper-
14 ation of any law or rule of law (including res judi-
15 cata), such refund or credit may nevertheless be
16 made or allowed if claim therefor is filed before the
17 close of such period.

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