

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1160

To amend the Internal Revenue Code of 1986 to restore, increase, and make permanent the exclusion from gross income for amounts received under qualified group legal services plans.

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IN THE SENATE OF THE UNITED STATES

MAY 26, 2005

Mr. SMITH (for himself, Mrs. LINCOLN, Mr. ROCKEFELLER, and Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to restore, increase, and make permanent the exclusion from gross income for amounts received under qualified group legal services plans.

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 “Legal Services Benefit  
5       Act of 2005”.

1 **SEC. 2. EXCLUSION FOR AMOUNTS RECEIVED UNDER**  
2 **QUALIFIED GROUP LEGAL SERVICES PLANS**  
3 **RESTORED, INCREASED, AND MADE PERMA-**  
4 **NENT.**

5 (a) INCREASE OF EXCLUSION.—Subsection (a) of  
6 section 120 of the Internal Revenue Code of 1986 (relat-  
7 ing to amounts received under qualified group legal serv-  
8 ices plans) is amended by striking the last sentence.

9 (b) RESTORATION AND PERMANENCE OF EXCLU-  
10 SION.—Section 120 of the Internal Revenue Code of 1986  
11 (relating to amounts received under qualified group legal  
12 services plans) is amended by striking subsection (e) and  
13 by redesignating subsection (f) as subsection (e).

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2004.

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