

In the Senate of the United States,

December 20 (legislative day, December 18), 2001.

Resolved, That the Senate agree to the amendment of the House of Representatives to the amendments of the Senate to the bill (H.R. 2884) entitled “An Act 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.”, with the following

**SENATE AMENDMENT TO HOUSE AMENDMENT TO
SENATE AMENDMENTS:**

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

1 **SECTION 1. SHORT TITLE; ETC.**

2 (a) **SHORT TITLE.**—This Act may be cited as the

3 “Victims of Terrorism Tax Relief Act of 2001”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
 2 wise expressly provided, whenever in this Act an amend-
 3 ment or repeal is expressed in terms of an amendment
 4 to, or repeal of, a section or other provision, the reference
 5 shall be considered to be made to a section or other provi-
 6 sion of the Internal Revenue Code of 1986.

7 (c) TABLE OF CONTENTS.—The table of contents for
 8 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—VICTIMS OF TERRORISM TAX RELIEF

Subtitle A—Relief Provisions for Victims of Terrorist Attacks

- Sec. 101. Income taxes of victims of terrorist attacks.
- Sec. 102. Exclusion of certain death benefits.
- Sec. 103. Estate tax reduction.
- Sec. 104. Payments by charitable organizations treated as exempt payments.
- Sec. 105. Exclusion of certain cancellations of indebtedness.

Subtitle B—Other Relief Provisions

- Sec. 111. Exclusion for disaster relief payments.
- Sec. 112. Authority to postpone certain deadlines and required actions.
- Sec. 113. Application of certain provisions to terroristic or military actions.
- Sec. 114. Clarification of due date for airline excise tax deposits.
- Sec. 115. Treatment of certain structured settlement payments.
- Sec. 116. Personal exemption deduction for certain disability trusts.

TITLE II—DISCLOSURE OF TAX INFORMATION IN TERRORISM AND NATIONAL SECURITY INVESTIGATIONS

- Sec. 201. Disclosure of tax information in terrorism and national security investigations.

TITLE III—NO IMPACT ON SOCIAL SECURITY TRUST FUNDS

- Sec. 301. No impact on social security trust funds.

1 **TITLE I—VICTIMS OF**
2 **TERRORISM TAX RELIEF**
3 **Subtitle A—Relief Provisions for**
4 **Victims of Terrorist Attacks**

5 **SEC. 101. INCOME TAXES OF VICTIMS OF TERRORIST AT-**
6 **TACKS.**

7 (a) IN GENERAL.—Section 692 (relating to income
8 taxes of members of Armed Forces on death) is amended
9 by adding at the end the following new subsection:

10 “(d) INDIVIDUALS DYING AS A RESULT OF CERTAIN
11 ATTACKS.—

12 “(1) IN GENERAL.—In the case of a specified
13 terrorist victim, any tax imposed by this chapter
14 shall not apply—

15 “(A) with respect to the taxable year in
16 which falls the date of death, and

17 “(B) with respect to any prior taxable year
18 in the period beginning with the last taxable
19 year ending before the taxable year in which the
20 wounds, injury, or illness referred to in para-
21 graph (3) were incurred.

22 “(2) \$10,000 MINIMUM BENEFIT.—If, but for
23 this paragraph, the amount of tax not imposed by
24 paragraph (1) with respect to a specified terrorist
25 victim is less than \$10,000, then such victim shall

1 be treated as having made a payment against the
2 tax imposed by this chapter for such victim's last
3 taxable year in an amount equal to the excess of
4 \$10,000 over the amount of tax not so imposed.

5 “(3) TAXATION OF CERTAIN BENEFITS.—Sub-
6 ject to such rules as the Secretary may prescribe,
7 paragraph (1) shall not apply to the amount of any
8 tax imposed by this chapter which would be com-
9 puted by only taking into account the items of in-
10 come, gain, or other amounts attributable to—

11 “(A) deferred compensation which would
12 have been payable after death if the individual
13 had died other than as a specified terrorist vic-
14 tim, or

15 “(B) amounts payable in the taxable year
16 which would not have been payable in such tax-
17 able year but for an action taken after Sep-
18 tember 11, 2001.

19 “(4) SPECIFIED TERRORIST VICTIM.—For pur-
20 poses of this subsection, the term ‘specified terrorist
21 victim’ means any decedent—

22 “(A) who dies as a result of wounds or in-
23 jury incurred as a result of the terrorist attacks
24 against the United States on April 19, 1995, or
25 September 11, 2001, or

1 “(B) who dies as a result of illness in-
2 curred as a result of an attack involving an-
3 thrax occurring on or after September 11,
4 2001, and before January 1, 2002.

5 Such term shall not include any individual identified
6 by the Attorney General to have been a participant
7 or conspirator in any such attack or a representative
8 of such an individual.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 5(b)(1) is amended by inserting
11 “and victims of certain terrorist attacks” before “on
12 death”.

13 (2) Section 6013(f)(2)(B) is amended by insert-
14 ing “and victims of certain terrorist attacks” before
15 “on death”.

16 (c) CLERICAL AMENDMENTS.—

17 (1) The heading of section 692 is amended to
18 read as follows:

19 **“SEC. 692. INCOME TAXES OF MEMBERS OF ARMED FORCES**
20 **AND VICTIMS OF CERTAIN TERRORIST AT-**
21 **TACKS ON DEATH.”.**

22 (2) The item relating to section 692 in the table
23 of sections for part II of subchapter J of chapter 1
24 is amended to read as follows:

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

1 (d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

2 (1) EFFECTIVE DATE.—The amendments made
3 by this section shall apply to taxable years ending
4 before, on, or after September 11, 2001.

5 (2) WAIVER OF LIMITATIONS.—If refund or
6 credit of any overpayment of tax resulting from the
7 amendments made by this section is prevented at
8 any time before the close of the 1-year period begin-
9 ning on the date of the enactment of this Act by the
10 operation of any law or rule of law (including res ju-
11 dicata), such refund or credit may nevertheless be
12 made or allowed if claim therefor is filed before the
13 close of such period.

14 **SEC. 102. EXCLUSION OF CERTAIN DEATH BENEFITS.**

15 (a) IN GENERAL.—Section 101 (relating to certain
16 death benefits) is amended by adding at the end the fol-
17 lowing new subsection:

18 “(i) CERTAIN EMPLOYEE DEATH BENEFITS PAY-
19 ABLE BY REASON OF DEATH OF CERTAIN TERRORIST
20 VICTIMS.—

21 “(1) IN GENERAL.—Gross income does not in-
22 clude amounts (whether in a single sum or other-
23 wise) paid by an employer by reason of the death of
24 an employee who is a specified terrorist victim (as
25 defined in section 692(d)(4)).

1 “(2) LIMITATION.—

2 “(A) IN GENERAL.—Subject to such rules
3 as the Secretary may prescribe, paragraph (1)
4 shall not apply to amounts which would have
5 been payable after death if the individual had
6 died other than as a specified terrorist victim
7 (as so defined).

8 “(B) EXCEPTION.—Subparagraph (A)
9 shall not apply to incidental death benefits paid
10 from a plan described in section 401(a) and ex-
11 empt from tax under section 501(a).

12 “(3) TREATMENT OF SELF-EMPLOYED INDIVID-
13 UALS.—For purposes of paragraph (1), the term
14 ‘employee’ includes a self-employed individual (as de-
15 fined in section 401(c)(1)).”.

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

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

20 (2) WAIVER OF LIMITATIONS.—If refund or
21 credit of any overpayment of tax resulting from the
22 amendments made by this section is prevented at
23 any time before the close of the 1-year period begin-
24 ning on the date of the enactment of this Act by the
25 operation of any law or rule of law (including res ju-

1 dicata), such refund or credit may nevertheless be
2 made or allowed if claim therefor is filed before the
3 close of such period.

4 **SEC. 103. ESTATE TAX REDUCTION.**

5 (a) IN GENERAL.—Section 2201 is amended to read
6 as follows:

7 **“SEC. 2201. COMBAT ZONE-RELATED DEATHS OF MEMBERS**
8 **OF THE ARMED FORCES AND DEATHS OF VIC-**
9 **TIMS OF CERTAIN TERRORIST ATTACKS.**

10 “(a) IN GENERAL.—Unless the executor elects not to
11 have this section apply, in applying sections 2001 and
12 2101 to the estate of a qualified decedent, the rate sched-
13 ule set forth in subsection (c) shall be deemed to be the
14 rate schedule set forth in section 2001(c).

15 “(b) QUALIFIED DECEDENT.—For purposes of this
16 section, the term ‘qualified decedent’ means—

17 “(1) any citizen or resident of the United
18 States dying while in active service of the Armed
19 Forces of the United States, if such decedent—

20 “(A) was killed in action while serving in
21 a combat zone, as determined under section
22 112(c), or

23 “(B) died as a result of wounds, disease,
24 or injury suffered while serving in a combat
25 zone (as determined under section 112(c)), and

1 while in the line of duty, by reason of a hazard
 2 to which such decedent was subjected as an in-
 3 cident of such service, and

4 “(2) any specified terrorist victim (as defined in
 5 section 692(d)(4)).

6 “(c) RATE SCHEDULE.—

“If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over \$150,000	1 percent of the amount by which such amount exceeds \$100,000.
Over \$150,000 but not over \$200,000.	\$500 plus 2 percent of the excess over \$150,000.
Over \$200,000 but not over \$300,000.	\$1,500 plus 3 percent of the excess over \$200,000.
Over \$300,000 but not over \$500,000.	\$4,500 plus 4 percent of the excess over \$300,000.
Over \$500,000 but not over \$700,000.	\$12,500 plus 5 percent of the excess over \$500,000.
Over \$700,000 but not over \$900,000.	\$22,500 plus 6 percent of the excess over \$700,000.
Over \$900,000 but not over \$1,100,000.	\$34,500 plus 7 percent of the excess over \$900,000.
Over \$1,100,000 but not over \$1,600,000.	\$48,500 plus 8 percent of the excess over \$1,100,000.
Over \$1,600,000 but not over \$2,100,000.	\$88,500 plus 9 percent of the excess over \$1,600,000.
Over \$2,100,000 but not over \$2,600,000.	\$133,500 plus 10 percent of the excess over \$2,100,000.
Over \$2,600,000 but not over \$3,100,000.	\$183,500 plus 11 percent of the excess over \$2,600,000.
Over \$3,100,000 but not over \$3,600,000.	\$238,500 plus 12 percent of the excess over \$3,100,000.
Over \$3,600,000 but not over \$4,100,000.	\$298,500 plus 13 percent of the excess over \$3,600,000.
Over \$4,100,000 but not over \$5,100,000.	\$363,500 plus 14 percent of the excess over \$4,100,000.
Over \$5,100,000 but not over \$6,100,000.	\$503,500 plus 15 percent of the excess over \$5,100,000.
Over \$6,100,000 but not over \$7,100,000.	\$653,500 plus 16 percent of the excess over \$6,100,000.
Over \$7,100,000 but not over \$8,100,000.	\$813,500 plus 17 percent of the excess over \$7,100,000.
Over \$8,100,000 but not over \$9,100,000.	\$983,500 plus 18 percent of the excess over \$8,100,000.
Over \$9,100,000 but not over \$10,100,000.	\$1,163,500 plus 19 percent of the excess over \$9,100,000.

“If the amount with respect to which the tentative tax to be computed is: The tentative tax is:

Over \$10,100,000 \$1,353,500 plus 20 percent of the excess over \$10,100,000.

1 “(d) DETERMINATION OF UNIFIED CREDIT.—In the
2 case of an estate to which this section applies, subsection
3 (a) shall not apply in determining the credit under section
4 2010.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 2011 is amended by striking sub-
7 section (d) and by redesignating subsections (e), (f),
8 and (g) as subsections (d), (e), and (f), respectively.

9 (2) Section 2053(d)(3)(B) is amended by strik-
10 ing “section 2011(e)” and inserting “section
11 2011(d)”.

12 (3) Paragraph (9) of section 532(c) of the Eco-
13 nomic Growth and Tax Relief Reconciliation Act of
14 2001 is repealed.

15 (c) CLERICAL AMENDMENT.—The item relating to
16 section 2201 in the table of sections for subchapter C of
17 chapter 11 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.”.

18 (d) EFFECTIVE DATE; WAIVER OF LIMITATIONS.—

19 (1) EFFECTIVE DATE.—The amendments made
20 by this section shall apply to estates of decedents—

21 (A) dying on or after September 11, 2001,

22 and
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1 (B) in the case of individuals dying as a
2 result of the April 19, 1995, terrorist attack,
3 dying on or after April 19, 1995.

4 (2) WAIVER OF LIMITATIONS.—If refund or
5 credit of any overpayment of tax resulting from the
6 amendments made by this section is prevented at
7 any time before the close of the 1-year period begin-
8 ning on the date of the enactment of this Act by the
9 operation of any law or rule of law (including res ju-
10 dicata), such refund or credit may nevertheless be
11 made or allowed if claim therefor is filed before the
12 close of such period.

13 **SEC. 104. PAYMENTS BY CHARITABLE ORGANIZATIONS**
14 **TREATED AS EXEMPT PAYMENTS.**

15 (a) IN GENERAL.—For purposes of the Internal Rev-
16 enue Code of 1986—

17 (1) payments made by an organization de-
18 scribed in section 501(c)(3) of such Code by reason
19 of the death, injury, wounding, or illness of an indi-
20 vidual incurred as the result of the terrorist attacks
21 against the United States on September 11, 2001,
22 or an attack involving anthrax occurring on or after
23 September 11, 2001, and before January 1, 2002,
24 shall be treated as related to the purpose or function
25 constituting the basis for such organization's exemp-

1 tion under section 501 of such Code if such pay-
2 ments are made in good faith using a reasonable
3 and objective formula which is consistently applied,
4 and

5 (2) in the case of a private foundation (as de-
6 fined in section 509 of such Code), any payment de-
7 scribed in paragraph (1) shall not be treated as
8 made to a disqualified person for purposes of section
9 4941 of such Code.

10 (b) EFFECTIVE DATE.—This section shall apply to
11 payments made on or after September 11, 2001.

12 **SEC. 105. EXCLUSION OF CERTAIN CANCELLATIONS OF IN-**
13 **DEBTEDNESS.**

14 (a) IN GENERAL.—For purposes of the Internal Rev-
15 enue Code of 1986—

16 (1) gross income shall not include any amount
17 which (but for this section) would be includible in
18 gross income by reason of the discharge (in whole or
19 in part) of indebtedness of any taxpayer if the dis-
20 charge is by reason of the death of an individual in-
21 curred as the result of the terrorist attacks against
22 the United States on September 11, 2001, or as the
23 result of illness incurred as a result of an attack in-
24 volving anthrax occurring on or after September 11,
25 2001, and before January 1, 2002, and

1 (2) return requirements under section 6050P of
2 such Code shall not apply to any discharge described
3 in paragraph (1).

4 (b) EFFECTIVE DATE.—This section shall apply to
5 discharges made on or after September 11, 2001, and be-
6 fore January 1, 2002.

7 **Subtitle B—Other Relief Provisions**

8 **SEC. 111. EXCLUSION FOR DISASTER RELIEF PAYMENTS.**

9 (a) IN GENERAL.—Part III of subchapter B of chap-
10 ter 1 (relating to items specifically excluded from gross
11 income) is amended by redesignating section 139 as sec-
12 tion 140 and inserting after section 138 the following new
13 section:

14 **“SEC. 139. DISASTER RELIEF PAYMENTS.**

15 “(a) GENERAL RULE.—Gross income shall not in-
16 clude any amount received by an individual as a qualified
17 disaster relief payment.

18 “(b) QUALIFIED DISASTER RELIEF PAYMENT DE-
19 FINED.—For purposes of this section, the term ‘qualified
20 disaster relief payment’ means any amount paid to or for
21 the benefit of an individual—

22 “(1) to reimburse or pay reasonable and nec-
23 essary personal, family, living, or funeral expenses
24 incurred as a result of a qualified disaster,

1 “(2) to reimburse or pay reasonable and nec-
2 essary expenses incurred for the repair or rehabilita-
3 tion of a personal residence or repair or replacement
4 of its contents to the extent that the need for such
5 repair, rehabilitation, or replacement is attributable
6 to a qualified disaster,

7 “(3) by a person engaged in the furnishing or
8 sale of transportation as a common carrier by reason
9 of the death or personal physical injuries incurred as
10 a result of a qualified disaster, or

11 “(4) if such amount is paid by a Federal, State,
12 or local government, or agency or instrumentality
13 thereof, in connection with a qualified disaster in
14 order to promote the general welfare,

15 but only to the extent any expense compensated by such
16 payment is not otherwise compensated for by insurance
17 or otherwise.

18 “(c) QUALIFIED DISASTER DEFINED.—For purposes
19 of this section, the term ‘qualified disaster’ means—

20 “(1) a disaster which results from a terroristic
21 or military action (as defined in section 692(c)(2)),

22 “(2) a Presidentially declared disaster (as de-
23 fined in section 1033(h)(3)),

24 “(3) a disaster which results from an accident
25 involving a common carrier, or from any other event,

1 which is determined by the Secretary to be of a cata-
2 strophic nature, or

3 “(4) with respect to amounts described in sub-
4 section (b)(4), a disaster which is determined by an
5 applicable Federal, State, or local authority (as de-
6 termined by the Secretary) to warrant assistance
7 from the Federal, State, or local government or
8 agency or instrumentality thereof.

9 “(d) COORDINATION WITH EMPLOYMENT TAXES.—
10 For purposes of chapter 2 and subtitle C, a qualified dis-
11 aster relief payment shall not be treated as net earnings
12 from self-employment, wages, or compensation subject to
13 tax.

14 “(e) NO RELIEF FOR CERTAIN INDIVIDUALS.—Sub-
15 sections (a) and (f) shall not apply with respect to any
16 individual identified by the Attorney General to have been
17 a participant or conspirator in a terroristic action (as so
18 defined), or a representative of such individual.

19 “(f) EXCLUSION OF CERTAIN ADDITIONAL PAY-
20 MENTS.—Gross income shall not include any amount re-
21 ceived as payment under section 406 of the Air Transpor-
22 tation Safety and System Stabilization Act.”

23 (b) CONFORMING AMENDMENTS.—The table of sec-
24 tions for part III of subchapter B of chapter 1 is amended

1 by striking the item relating to section 139 and inserting
2 the following new items:

“Sec. 139. Disaster relief payments.
“Sec. 140. Cross references to other Acts.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years ending on or after
5 September 11, 2001.

6 **SEC. 112. AUTHORITY TO POSTPONE CERTAIN DEADLINES**
7 **AND REQUIRED ACTIONS.**

8 (a) **EXPANSION OF AUTHORITY RELATING TO DISAS-**
9 **TERS AND TERRORISTIC OR MILITARY ACTIONS.**—Section
10 7508A is amended to read as follows:

11 **“SEC. 7508A. AUTHORITY TO POSTPONE CERTAIN DEAD-**
12 **LINES BY REASON OF PRESIDENTIALLY DE-**
13 **CLARED DISASTER OR TERRORISTIC OR**
14 **MILITARY ACTIONS.**

15 “(a) **IN GENERAL.**—In the case of a taxpayer deter-
16 mined by the Secretary to be affected by a Presidentially
17 declared disaster (as defined in section 1033(h)(3)) or a
18 terroristic or military action (as defined in section
19 692(c)(2)), the Secretary may specify a period of up to
20 one year that may be disregarded in determining, under
21 the internal revenue laws, in respect of any tax liability
22 of such taxpayer—

23 “(1) whether any of the acts described in para-
24 graph (1) of section 7508(a) were performed within

1 the time prescribed therefor (determined without re-
2 gard to extension under any other provision of this
3 subtitle for periods after the date (determined by the
4 Secretary) of such disaster or action),

5 “(2) the amount of any interest, penalty, addi-
6 tional amount, or addition to the tax for periods
7 after such date, and

8 “(3) the amount of any credit or refund.

9 “(b) SPECIAL RULES REGARDING PENSIONS, ETC.—

10 In the case of a pension or other employee benefit plan,
11 or any sponsor, administrator, participant, beneficiary, or
12 other person with respect to such plan, affected by a dis-
13 aster or action described in subsection (a), the Secretary
14 may specify a period of up to one year which may be dis-
15 regarded in determining the date by which any action is
16 required or permitted to be completed under this title. No
17 plan shall be treated as failing to be operated in accord-
18 ance with the terms of the plan solely as the result of dis-
19 regarding any period by reason of the preceding sentence.

20 “(c) SPECIAL RULES FOR OVERPAYMENTS.—The
21 rules of section 7508(b) shall apply for purposes of this
22 section.”.

23 (b) CLARIFICATION OF SCOPE OF ACTS SECRETARY
24 MAY POSTPONE.—Section 7508(a)(1)(K) (relating to time

1 to be disregarded) is amended by striking “in regulations
2 prescribed under this section”.

3 (c) CONFORMING AMENDMENTS TO ERISA.—

4 (1) Part 5 of subtitle B of title I of the Em-
5 ployee Retirement Income Security Act of 1974 (29
6 U.S.C. 1131 et seq.) is amended by adding at the
7 end the following new section:

8 **“SEC. 518. AUTHORITY TO POSTPONE CERTAIN DEADLINES**
9 **BY REASON OF PRESIDENTIALLY DECLARED**
10 **DISASTER OR TERRORISTIC OR MILITARY AC-**
11 **TIONS.**

12 “In the case of a pension or other employee benefit
13 plan, or any sponsor, administrator, participant, bene-
14 ficiary, or other person with respect to such plan, affected
15 by a Presidentially declared disaster (as defined in section
16 1033(h)(3) of the Internal Revenue Code of 1986) or a
17 terroristic or military action (as defined in section
18 692(e)(2) of such Code), the Secretary may, notwith-
19 standing any other provision of law, prescribe, by notice
20 or otherwise, a period of up to one year which may be
21 disregarded in determining the date by which any action
22 is required or permitted to be completed under this Act.
23 No plan shall be treated as failing to be operated in ac-
24 cordance with the terms of the plan solely as the result

1 of disregarding any period by reason of the preceding sen-
2 tence.”.

3 (2) Section 4002 of Employee Retirement In-
4 come Security Act of 1974 (29 U.S.C. 1302) is
5 amended by adding at the end the following new
6 subsection:

7 “(i) SPECIAL RULES REGARDING DISASTERS,
8 ETC.—In the case of a pension or other employee benefit
9 plan, or any sponsor, administrator, participant, bene-
10 ficiary, or other person with respect to such plan, affected
11 by a Presidentially declared disaster (as defined in section
12 1033(h)(3) of the Internal Revenue Code of 1986) or a
13 terroristic or military action (as defined in section
14 692(e)(2) of such Code), the corporation may, notwith-
15 standing any other provision of law, prescribe, by notice
16 or otherwise, a period of up to one year which may be
17 disregarded in determining the date by which any action
18 is required or permitted to be completed under this Act.
19 No plan shall be treated as failing to be operated in ac-
20 cordance with the terms of the plan solely as the result
21 of disregarding any period by reason of the preceding sen-
22 tence.”.

23 (d) ADDITIONAL CONFORMING AMENDMENTS.—

24 (1) Section 6404 is amended—

25 (A) by striking subsection (h),

1 (B) by redesignating subsection (i) as sub-
2 section (h), and

3 (C) by adding at the end the following new
4 subsection:

5 “(i) CROSS REFERENCE.—

**“For authority to suspend running of interest, etc.
by reason of Presidentially declared disaster or ter-
roristic or military action, see section 7508A.”.**

6 (2) Section 6081(c) is amended to read as fol-
7 lows:

8 “(c) CROSS REFERENCES.—

**“For time for performing certain acts postponed
by reason of war, see section 7508, and by reason of
Presidentially declared disaster or terroristic or
military action, see section 7508A.”.**

9 (3) Section 6161(d) is amended by adding at
10 the end the following new paragraph:

11 “(3) POSTPONEMENT OF CERTAIN ACTS.—

**“For time for performing certain acts postponed
by reason of war, see section 7508, and by reason of
Presidentially declared disaster or terroristic or
military action, see section 7508A.”.**

12 (e) CLERICAL AMENDMENTS.—

13 (1) The item relating to section 7508A in the
14 table of sections for chapter 77 is amended to read
15 as follows:

“Sec. 7508A. Authority to postpone certain deadlines by reason
of Presidentially declared disaster or terroristic or
military actions.”.

16 (2) The table of contents for the Employee Re-
17 tirement Income Security Act of 1974 is amended by

1 inserting after the item relating to section 517 the
2 following new item:

“Sec. 518. Authority to postpone certain deadlines by reason of
Presidentially declared disaster or terroristic or
military actions.”.

3 (f) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to disasters and terroristic or mili-
5 tary actions occurring on or after September 11, 2001,
6 with respect to any action of the Secretary of the Treas-
7 ury, the Secretary of Labor, or the Pension Benefit Guar-
8 anty Corporation occurring on or after the date of the en-
9 actment of this Act.

10 **SEC. 113. APPLICATION OF CERTAIN PROVISIONS TO TER-**
11 **RORISTIC OR MILITARY ACTIONS.**

12 (a) **DISABILITY INCOME.**—Section 104(a)(5) (relat-
13 ing to compensation for injuries or sickness) is amended
14 by striking “a violent attack” and all that follows through
15 the period and inserting “a terroristic or military action
16 (as defined in section 692(c)(2)).”.

17 (b) **EXEMPTION FROM INCOME TAX FOR CERTAIN**
18 **MILITARY OR CIVILIAN EMPLOYEES.**—Section 692(c) is
19 amended—

20 (1) by striking “outside the United States” in
21 paragraph (1), and

22 (2) by striking “SUSTAINED OVERSEAS” in the
23 heading.

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

4 **SEC. 114. CLARIFICATION OF DUE DATE FOR AIRLINE EX-**
5 **CISE TAX DEPOSITS.**

6 (a) IN GENERAL.—Paragraph (3) of section 301(a)
7 of the Air Transportation Safety and System Stabilization
8 Act (Public Law 107–42) is amended to read as follows:

9 “(3) AIRLINE-RELATED DEPOSIT.—For pur-
10 poses of this subsection, the term ‘airline-related de-
11 posit’ means any deposit of taxes imposed by sub-
12 chapter C of chapter 33 of such Code (relating to
13 transportation by air).”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall take effect as if included in section 301
16 of the Air Transportation Safety and System Stabilization
17 Act (Public Law 107–42).

18 **SEC. 115. TREATMENT OF CERTAIN STRUCTURED SETTLE-**
19 **MENT PAYMENTS.**

20 (a) IN GENERAL.—Subtitle E is amended by adding
21 at the end the following new chapter:

22 **“CHAPTER 55—STRUCTURED**
23 **SETTLEMENT FACTORING TRANSACTIONS**

“Sec. 5891. Structured settlement factoring transactions.

1 **“SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANS-**
2 **ACTIONS.**

3 “(a) IMPOSITION OF TAX.—There is hereby imposed
4 on any person who acquires directly or indirectly struc-
5 tured settlement payment rights in a structured settle-
6 ment factoring transaction a tax equal to 40 percent of
7 the factoring discount as determined under subsection
8 (c)(4) with respect to such factoring transaction.

9 “(b) EXCEPTION FOR CERTAIN APPROVED TRANS-
10 ACTIONS.—

11 “(1) IN GENERAL.—The tax under subsection
12 (a) shall not apply in the case of a structured settle-
13 ment factoring transaction in which the transfer of
14 structured settlement payment rights is approved in
15 advance in a qualified order.

16 “(2) QUALIFIED ORDER.—For purposes of this
17 section, the term ‘qualified order’ means a final
18 order, judgment, or decree which—

19 “(A) finds that the transfer described in
20 paragraph (1)—

21 “(i) does not contravene any Federal
22 or State statute or the order of any court
23 or responsible administrative authority,
24 and

1 “(ii) is in the best interest of the
2 payee, taking into account the welfare and
3 support of the payee’s dependents, and

4 “(B) is issued—

5 “(i) under the authority of an applica-
6 ble State statute by an applicable State
7 court, or

8 “(ii) by the responsible administrative
9 authority (if any) which has exclusive ju-
10 risdiction over the underlying action or
11 proceeding which was resolved by means of
12 the structured settlement.

13 “(3) APPLICABLE STATE STATUTE.—For pur-
14 poses of this section, the term ‘applicable State stat-
15 ute’ means a statute providing for the entry of an
16 order, judgment, or decree described in paragraph
17 (2)(A) which is enacted by—

18 “(A) the State in which the payee of the
19 structured settlement is domiciled, or

20 “(B) if there is no statute described in
21 subparagraph (A), the State in which either the
22 party to the structured settlement (including an
23 assignee under a qualified assignment under
24 section 130) or the person issuing the funding

1 asset for the structured settlement is domiciled
2 or has its principal place of business.

3 “(4) APPLICABLE STATE COURT.—For pur-
4 poses of this section—

5 “(A) IN GENERAL.—The term ‘applicable
6 State court’ means, with respect to any applica-
7 ble State statute, a court of the State which en-
8 acted such statute.

9 “(B) SPECIAL RULE.—In the case of an
10 applicable State statute described in paragraph
11 (3)(B), such term also includes a court of the
12 State in which the payee of the structured set-
13 tlement is domiciled.

14 “(5) QUALIFIED ORDER DISPOSITIVE.—A quali-
15 fied order shall be treated as dispositive for purposes
16 of the exception under this subsection.

17 “(c) DEFINITIONS.—For purposes of this section—

18 “(1) STRUCTURED SETTLEMENT.—The term
19 ‘structured settlement’ means an arrangement—

20 “(A) which is established by—

21 “(i) suit or agreement for the periodic
22 payment of damages excludable from the
23 gross income of the recipient under section
24 104(a)(2), or

1 “(ii) agreement for the periodic pay-
2 ment of compensation under any workers’
3 compensation law excludable from the
4 gross income of the recipient under section
5 104(a)(1), and

6 “(B) under which the periodic payments
7 are—

8 “(i) of the character described in sub-
9 paragraphs (A) and (B) of section
10 130(c)(2), and

11 “(ii) payable by a person who is a
12 party to the suit or agreement or to the
13 workers’ compensation claim or by a per-
14 son who has assumed the liability for such
15 periodic payments under a qualified assign-
16 ment in accordance with section 130.

17 “(2) STRUCTURED SETTLEMENT PAYMENT
18 RIGHTS.—The term ‘structured settlement payment
19 rights’ means rights to receive payments under a
20 structured settlement.

21 “(3) STRUCTURED SETTLEMENT FACTORING
22 TRANSACTION.—

23 “(A) IN GENERAL.—The term ‘structured
24 settlement factoring transaction’ means a trans-
25 fer of structured settlement payment rights (in-

1 including portions of structured settlement pay-
2 ments) made for consideration by means of
3 sale, assignment, pledge, or other form of en-
4 cumbrance or alienation for consideration.

5 “(B) EXCEPTION.—Such term shall not
6 include—

7 “(i) the creation or perfection of a se-
8 curity interest in structured settlement
9 payment rights under a blanket security
10 agreement entered into with an insured de-
11 pository institution in the absence of any
12 action to redirect the structured settlement
13 payments to such institution (or agent or
14 successor thereof) or otherwise to enforce
15 such blanket security interest as against
16 the structured settlement payment rights,
17 or

18 “(ii) a subsequent transfer of struc-
19 tured settlement payment rights acquired
20 in a structured settlement factoring trans-
21 action.

22 “(4) FACTORING DISCOUNT.—The term ‘fac-
23 toring discount’ means an amount equal to the ex-
24 cess of—

1 “(A) the aggregate undiscounted amount
2 of structured settlement payments being ac-
3 quired in the structured settlement factoring
4 transaction, over

5 “(B) the total amount actually paid by the
6 acquirer to the person from whom such struc-
7 tured settlement payments are acquired.

8 “(5) RESPONSIBLE ADMINISTRATIVE AUTHOR-
9 ITY.—The term ‘responsible administrative author-
10 ity’ means the administrative authority which had
11 jurisdiction over the underlying action or proceeding
12 which was resolved by means of the structured set-
13 tlement.

14 “(6) STATE.—The term ‘State’ includes the
15 Commonwealth of Puerto Rico and any possession of
16 the United States.

17 “(d) COORDINATION WITH OTHER PROVISIONS.—

18 “(1) IN GENERAL.—If the applicable require-
19 ments of sections 72, 104(a)(1), 104(a)(2), 130, and
20 461(h) were satisfied at the time the structured set-
21 tlement involving structured settlement payment
22 rights was entered into, the subsequent occurrence
23 of a structured settlement factoring transaction shall
24 not affect the application of the provisions of such
25 sections to the parties to the structured settlement

1 (including an assignee under a qualified assignment
2 under section 130) in any taxable year.

3 “(2) NO WITHHOLDING OF TAX.—The provi-
4 sions of section 3405 regarding withholding of tax
5 shall not apply to the person making the payments
6 in the event of a structured settlement factoring
7 transaction.”.

8 (b) CLERICAL AMENDMENT.—The table of chapters
9 for subtitle E is amended by adding at the end the fol-
10 lowing new item:

“Chapter 55. Structured settlement factoring transactions.”.

11 (c) EFFECTIVE DATES.—

12 (1) IN GENERAL.—The amendments made by
13 this section (other than the provisions of section
14 5891(d) of the Internal Revenue Code of 1986, as
15 added by this section) shall apply to structured set-
16 tlement factoring transactions (as defined in section
17 5891(e) of such Code (as so added)) entered into on
18 or after the 30th day following the date of the enact-
19 ment of this Act.

20 (2) CLARIFICATION OF EXISTING LAW.—Section
21 5891(d) of such Code (as so added) shall apply to
22 structured settlement factoring transactions (as de-
23 fined in section 5891(c) of such Code (as so added))
24 entered into before, on, or after such 30th day.

1 (3) TRANSITION RULE.—In the case of a struc-
2 tured settlement factoring transaction entered into
3 during the period beginning on the 30th day fol-
4 lowing the date of the enactment of this Act and
5 ending on July 1, 2002, no tax shall be imposed
6 under section 5891(a) of such Code if—

7 (A) the structured settlement payee is
8 domiciled in a State (or possession of the
9 United States) which has not enacted a statute
10 providing that the structured settlement fac-
11 toring transaction is ineffective unless the
12 transaction has been approved by an order,
13 judgment, or decree of a court (or where appli-
14 cable, a responsible administrative authority)
15 which finds that such transaction—

16 (i) does not contravene any Federal or
17 State statute or the order of any court (or
18 responsible administrative authority), and

19 (ii) is in the best interest of the struc-
20 tured settlement payee or is appropriate in
21 light of a hardship faced by the payee, and

22 (B) the person acquiring the structured
23 settlement payment rights discloses to the
24 structured settlement payee in advance of the
25 structured settlement factoring transaction the

1 amounts and due dates of the payments to be
2 transferred, the aggregate amount to be trans-
3 ferred, the consideration to be received by the
4 structured settlement payee for the transferred
5 payments, the discounted present value of the
6 transferred payments (including the present
7 value as determined in the manner described in
8 section 7520 of such Code), and the expenses
9 required under the terms of the structured set-
10 tlement factoring transaction to be paid by the
11 structured settlement payee or deducted from
12 the proceeds of such transaction.

13 **SEC. 116. PERSONAL EXEMPTION DEDUCTION FOR CER-**
14 **TAIN DISABILITY TRUSTS.**

15 (a) IN GENERAL.—Subsection (b) of section 642 (re-
16 lating to deduction for personal exemption) is amended to
17 read as follows:

18 “(b) DEDUCTION FOR PERSONAL EXEMPTION.—

19 “(1) ESTATES.—An estate shall be allowed a
20 deduction of \$600.

21 “(2) TRUSTS.—

22 “(A) IN GENERAL.—Except as otherwise
23 provided in this paragraph, a trust shall be al-
24 lowed a deduction of \$100.

1 “(B) TRUSTS DISTRIBUTING INCOME CUR-
2 RENTLY.—A trust which, under its governing
3 instrument, is required to distribute all of its
4 income currently shall be allowed a deduction of
5 \$300.

6 “(C) DISABILITY TRUSTS.—

7 “(i) IN GENERAL.—A qualified dis-
8 ability trust shall be allowed a deduction
9 equal to the exemption amount under sec-
10 tion 151(d), determined—

11 “(I) by treating such trust as an
12 individual described in section
13 151(d)(3)(C)(iii), and

14 “(II) by applying section 67(e)
15 (without the reference to section
16 642(b)) for purposes of determining
17 the adjusted gross income of the
18 trust.

19 “(ii) QUALIFIED DISABILITY TRUST.—
20 For purposes of clause (i), the term ‘quali-
21 fied disability trust’ means any trust if—

22 “(I) such trust is a disability
23 trust described in subsection
24 (c)(2)(B)(iv) of section 1917 of the

1 Social Security Act (42 U.S.C.
2 1396p), and

3 “(II) all of the beneficiaries of
4 the trust as of the close of the taxable
5 year are determined by the Commis-
6 sioner of Social Security to have been
7 disabled (within the meaning of sec-
8 tion 1614(a)(3) of the Social Security
9 Act, 42 U.S.C. 1382c(a)(3)) for some
10 portion of such year.

11 A trust shall not fail to meet the require-
12 ments of subclause (II) merely because the
13 corpus of the trust may revert to a person
14 who is not so disabled after the trust
15 ceases to have any beneficiary who is so
16 disabled.”

17 “(3) DEDUCTIONS IN LIEU OF PERSONAL EX-
18 EMPTION.—The deductions allowed by this sub-
19 section shall be in lieu of the deductions allowed
20 under section 151 (relating to deduction for personal
21 exemption).”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to taxable years ending on or after
24 September 11, 2001.

1 **TITLE II—DISCLOSURE OF TAX**
2 **INFORMATION IN TERRORISM**
3 **AND NATIONAL SECURITY IN-**
4 **VESTIGATIONS**

5 **SEC. 201. DISCLOSURE OF TAX INFORMATION IN TER-**
6 **RORISM AND NATIONAL SECURITY INVES-**
7 **TIGATIONS.**

8 (a) DISCLOSURE WITHOUT A REQUEST OF INFORMA-
9 TION RELATING TO TERRORIST ACTIVITIES, ETC.—Para-
10 graph (3) of section 6103(i) (relating to disclosure of re-
11 turn information to apprise appropriate officials of crimi-
12 nal activities or emergency circumstances) is amended by
13 adding at the end the following new subparagraph:

14 “(C) TERRORIST ACTIVITIES, ETC.—

15 “(i) IN GENERAL.—Except as pro-
16 vided in paragraph (6), the Secretary may
17 disclose in writing return information
18 (other than taxpayer return information)
19 that may be related to a terrorist incident,
20 threat, or activity to the extent necessary
21 to apprise the head of the appropriate Fed-
22 eral law enforcement agency responsible
23 for investigating or responding to such ter-
24 rorist incident, threat, or activity. The
25 head of the agency may disclose such re-

1 turn information to officers and employees
2 of such agency to the extent necessary to
3 investigate or respond to such terrorist in-
4 cident, threat, or activity.

5 “(ii) DISCLOSURE TO THE DEPART-
6 MENT OF JUSTICE.—Returns and taxpayer
7 return information may also be disclosed to
8 the Attorney General under clause (i) to
9 the extent necessary for, and solely for use
10 in preparing, an application under para-
11 graph (7)(D).

12 “(iii) TAXPAYER IDENTITY.—For pur-
13 poses of this subparagraph, a taxpayer’s
14 identity shall not be treated as taxpayer
15 return information.

16 “(iv) TERMINATION.—No disclosure
17 may be made under this subparagraph
18 after December 31, 2003.”.

19 (b) DISCLOSURE UPON REQUEST OF INFORMATION
20 RELATING TO TERRORIST ACTIVITIES, ETC.—Subsection
21 (i) of section 6103 (relating to disclosure to Federal offi-
22 cers or employees for administration of Federal laws not
23 relating to tax administration) is amended by redesign-
24 nating paragraph (7) as paragraph (8) and by inserting
25 after paragraph (6) the following new paragraph:

1 “(7) DISCLOSURE UPON REQUEST OF INFORMA-
2 TION RELATING TO TERRORIST ACTIVITIES, ETC.—

3 “(A) DISCLOSURE TO LAW ENFORCEMENT
4 AGENCIES.—

5 “(i) IN GENERAL.—Except as pro-
6 vided in paragraph (6), upon receipt by the
7 Secretary of a written request which meets
8 the requirements of clause (iii), the Sec-
9 retary may disclose return information
10 (other than taxpayer return information)
11 to officers and employees of any Federal
12 law enforcement agency who are personally
13 and directly engaged in the response to or
14 investigation of any terrorist incident,
15 threat, or activity.

16 “(ii) DISCLOSURE TO STATE AND
17 LOCAL LAW ENFORCEMENT AGENCIES.—
18 The head of any Federal law enforcement
19 agency may disclose return information ob-
20 tained under clause (i) to officers and em-
21 ployees of any State or local law enforce-
22 ment agency but only if such agency is
23 part of a team with the Federal law en-
24 forcement agency in such response or in-
25 vestigation and such information is dis-

1 closed only to officers and employees who
2 are personally and directly engaged in such
3 response or investigation.

4 “(iii) REQUIREMENTS.—A request
5 meets the requirements of this clause if—

6 “(I) the request is made by the
7 head of any Federal law enforcement
8 agency (or his delegate) involved in
9 the response to or investigation of any
10 terrorist incident, threat, or activity,
11 and

12 “(II) the request sets forth the
13 specific reason or reasons why such
14 disclosure may be relevant to a ter-
15 rorist incident, threat, or activity.

16 “(iv) LIMITATION ON USE OF INFOR-
17 MATION.—Information disclosed under this
18 subparagraph shall be solely for the use of
19 the officers and employees to whom such
20 information is disclosed in such response
21 or investigation.

22 “(B) DISCLOSURE TO INTELLIGENCE
23 AGENCIES.—

24 “(i) IN GENERAL.—Except as pro-
25 vided in paragraph (6), upon receipt by the

1 Secretary of a written request which meets
2 the requirements of clause (ii), the Sec-
3 retary may disclose return information
4 (other than taxpayer return information)
5 to those officers and employees of the De-
6 partment of Justice, the Department of
7 the Treasury, and other Federal intel-
8 ligence agencies who are personally and di-
9 rectly engaged in the collection or analysis
10 of intelligence and counterintelligence in-
11 formation or investigation concerning any
12 terrorist incident, threat, or activity. For
13 purposes of the preceding sentence, the in-
14 formation disclosed under the preceding
15 sentence shall be solely for the use of such
16 officers and employees in such investiga-
17 tion, collection, or analysis.

18 “(ii) REQUIREMENTS.—A request
19 meets the requirements of this subpara-
20 graph if the request—

21 “(I) is made by an individual de-
22 scribed in clause (iii), and

23 “(II) sets forth the specific rea-
24 son or reasons why such disclosure

1 may be relevant to a terrorist inci-
2 dent, threat, or activity.

3 “(iii) REQUESTING INDIVIDUALS.—An
4 individual described in this subparagraph
5 is an individual—

6 “(I) who is an officer or em-
7 ployee of the Department of Justice
8 or the Department of the Treasury
9 who is appointed by the President
10 with the advice and consent of the
11 Senate or who is the Director of the
12 United States Secret Service, and

13 “(II) who is responsible for the
14 collection and analysis of intelligence
15 and counterintelligence information
16 concerning any terrorist incident,
17 threat, or activity.

18 “(iv) TAXPAYER IDENTITY.—For pur-
19 poses of this subparagraph, a taxpayer’s
20 identity shall not be treated as taxpayer
21 return information.

22 “(C) DISCLOSURE UNDER EX PARTE OR-
23 DERS.—

24 “(i) IN GENERAL.—Except as pro-
25 vided in paragraph (6), any return or re-

1 turn information with respect to any speci-
2 fied taxable period or periods shall, pursu-
3 ant to and upon the grant of an ex parte
4 order by a Federal district court judge or
5 magistrate under clause (ii), be open (but
6 only to the extent necessary as provided in
7 such order) to inspection by, or disclosure
8 to, officers and employees of any Federal
9 law enforcement agency or Federal intel-
10 ligence agency who are personally and di-
11 rectly engaged in any investigation, re-
12 sponse to, or analysis of intelligence and
13 counterintelligence information concerning
14 any terrorist incident, threat, or activity.
15 Return or return information opened to in-
16 spection or disclosure pursuant to the pre-
17 ceding sentence shall be solely for the use
18 of such officers and employees in the inves-
19 tigation, response, or analysis, and in any
20 judicial, administrative, or grand jury pro-
21 ceedings, pertaining to such terrorist inci-
22 dent, threat, or activity.

23 “(ii) APPLICATION FOR ORDER.—The
24 Attorney General, the Deputy Attorney
25 General, the Associate Attorney General,

1 any Assistant Attorney General, or any
2 United States attorney may authorize an
3 application to a Federal district court
4 judge or magistrate for the order referred
5 to in clause (i). Upon such application,
6 such judge or magistrate may grant such
7 order if he determines on the basis of the
8 facts submitted by the applicant that—

9 “(I) there is reasonable cause to
10 believe, based upon information be-
11 lieved to be reliable, that the return or
12 return information may be relevant to
13 a matter relating to such terrorist in-
14 cident, threat, or activity, and

15 “(II) the return or return infor-
16 mation is sought exclusively for use in
17 a Federal investigation, analysis, or
18 proceeding concerning any terrorist
19 incident, threat, or activity.

20 “(D) SPECIAL RULE FOR EX PARTE DIS-
21 CLOSURE BY THE IRS.—

22 “(i) IN GENERAL.—Except as pro-
23 vided in paragraph (6), the Secretary may
24 authorize an application to a Federal dis-
25 trict court judge or magistrate for the

1 order referred to in subparagraph (C)(i).
2 Upon such application, such judge or mag-
3 istrate may grant such order if he deter-
4 mines on the basis of the facts submitted
5 by the applicant that the requirements of
6 subparagraph (C)(ii)(I) are met.

7 “(ii) LIMITATION ON USE OF INFOR-
8 MATION.—Information disclosed under
9 clause (i)—

10 “(I) may be disclosed only to the
11 extent necessary to apprise the head
12 of the appropriate Federal law en-
13 forcement agency responsible for in-
14 vestigating or responding to a ter-
15 rorist incident, threat, or activity, and

16 “(II) shall be solely for use in a
17 Federal investigation, analysis, or pro-
18 ceeding concerning any terrorist inci-
19 dent, threat, or activity.

20 The head of such Federal agency may dis-
21 close such information to officers and em-
22 ployees of such agency to the extent nec-
23 essary to investigate or respond to such
24 terrorist incident, threat, or activity.

1 “(E) TERMINATION.—No disclosure may
2 be made under this paragraph after December
3 31, 2003.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Section 6103(a)(2) is amended by inserting
6 “any local law enforcement agency receiving infor-
7 mation under subsection (i)(7)(A),” after “State,”.

8 (2) Section 6103(b) is amended by adding at
9 the end the following new paragraph:

10 “(11) TERRORIST INCIDENT, THREAT, OR AC-
11 TIVITY.—The term ‘terrorist incident, threat, or ac-
12 tivity’ means an incident, threat, or activity involv-
13 ing an act of domestic terrorism (as defined in sec-
14 tion 2331(5) of title 18, United States Code) or
15 international terrorism (as defined in section
16 2331(1) of such title).”.

17 (3) The heading of section 6103(i)(3) is amend-
18 ed by inserting “OR TERRORIST” after “CRIMINAL”.

19 (4) Paragraph (4) of section 6103(i) is
20 amended—

21 (A) in subparagraph (A) by inserting “or
22 (7)(C)” after “paragraph (1)”, and

23 (B) in subparagraph (B) by striking “or
24 (3)(A)” and inserting “(3)(A) or (C), or (7)”.

1 (5) Paragraph (6) of section 6103(i) is
2 amended—

3 (A) by striking “(3)(A)” and inserting
4 “(3)(A) or (C)”, and

5 (B) by striking “or (7)” and inserting
6 “(7), or (8)”.

7 (6) Section 6103(p)(3) is amended—

8 (A) in subparagraph (A) by striking
9 “(7)(A)(ii)” and inserting “(8)(A)(ii)”, and

10 (B) in subparagraph (C) by striking
11 “(i)(3)(B)(i)” and inserting “(i)(3)(B)(i) or
12 (7)(A)(ii)”.

13 (7) Section 6103(p)(4) is amended—

14 (A) in the matter preceding subparagraph
15 (A)—

16 (i) by striking “or (5),” the first place
17 it appears and inserting “(5), or (7),”, and

18 (ii) by striking “(i)(3)(B)(i),” and in-
19 serting “(i)(3)(B)(i) or (7)(A)(ii),”, and

20 (B) in subparagraph (F)(ii) by striking “or
21 (5),” the first place it appears and inserting
22 “(5) or (7),”.

23 (8) Section 6103(p)(6)(B)(i) is amended by
24 striking “(i)(7)(A)(ii)” and inserting “(i)(8)(A)(ii)”.

25 (9) Section 6105(b) is amended—

1 (A) by striking “or” at the end of para-
2 graph (2),

3 (B) by striking “paragraphs (1) or (2)” in
4 paragraph (3) and inserting “paragraph (1),
5 (2), or (3)”,

6 (C) by redesignating paragraph (3) as
7 paragraph (4), and

8 (D) by inserting after paragraph (2) the
9 following new paragraph:

10 “(3) to the disclosure of tax convention infor-
11 mation on the same terms as return information
12 may be disclosed under paragraph (3)(C) or (7) of
13 section 6103(i), except that in the case of tax con-
14 vention information provided by a foreign govern-
15 ment, no disclosure may be made under this para-
16 graph without the written consent of the foreign
17 government, or”.

18 (10) Section 7213(a)(2) is amended by striking
19 “(i)(3)(B)(i),” and inserting “(i)(3)(B)(i) or
20 (7)(A)(ii),”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to disclosures made on or after
23 the date of the enactment of this Act.

1 **TITLE III—NO IMPACT ON**
2 **SOCIAL SECURITY TRUST FUNDS**

3 **SEC. 301. NO IMPACT ON SOCIAL SECURITY TRUST FUNDS.**

4 (a) IN GENERAL.—Nothing in this Act (or an amend-
5 ment made by this Act) shall be construed to alter or
6 amend title II of the Social Security Act (or any regulation
7 promulgated under that Act).

8 (b) TRANSFERS.—

9 (1) ESTIMATE OF SECRETARY.—The Secretary
10 of the Treasury shall annually estimate the impact
11 that the enactment of this Act has on the income
12 and balances of the trust funds established under
13 section 201 of the Social Security Act (42 U.S.C.
14 401).

15 (2) TRANSFER OF FUNDS.—If, under para-
16 graph (1), the Secretary of the Treasury estimates
17 that the enactment of this Act has a negative impact
18 on the income and balances of the trust funds estab-
19 lished under section 201 of the Social Security Act
20 (42 U.S.C. 401), the Secretary shall transfer, not
21 less frequently than quarterly, from the general reve-
22 nues of the Federal Government an amount suffi-
23 cient so as to ensure that the income and balances

1 of such trust funds are not reduced as a result of
2 the enactment of this Act.

Attest:

Secretary.

107TH CONGRESS
1ST SESSION

H. R. 2884

**SENATE AMENDMENT TO
HOUSE AMENDMENT TO
SENATE AMENDMENTS**