

106TH CONGRESS
1ST SESSION

H. R. 2233

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

JUNE 15, 1999

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. RELIEF FROM FEDERAL TAX LIABILITY ARISING**
2 **FROM THE SETTLEMENT OF CLAIMS BY**
3 **AFRICAN AMERICAN FARMERS AGAINST THE**
4 **DEPARTMENT OF AGRICULTURE FOR DIS-**
5 **CRIMINATION IN FARM CREDIT AND BENEFIT**
6 **PROGRAMS.**

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

13 (1) gross income for purposes of subtitle A of
14 such Code (relating to income taxes) shall not
15 include—

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

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

22 (2) no amount shall be includible in the gross
23 estate of any such person for purposes of chapter 11
24 of such Code (relating to estate taxes) by reason of
25 an interest in such settlement.

1 **SEC. 2. TREATMENT OF PAYMENTS UNDER PROGRAMS**
2 **FUNDED IN WHOLE OR IN PART WITH FED-**
3 **ERAL FUNDS.**

4 Notwithstanding any other provision of law, with re-
5 spect to any calendar year in which a person receives an
6 amount under the settlement described in section 1, such
7 amount shall not—

8 (1) be considered income or resources in deter-
9 mining eligibility for,

10 (2) be used as a basis for denying or reducing
11 funds under, or

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

14 any program funded in whole or in part with Federal
15 funds.

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