

106TH CONGRESS  
2D SESSION

# H. R. 3811

To amend the Internal Revenue Code of 1986 to exclude certain severance payment amounts from income.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2000

Mr. PASCRELL introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude certain severance payment amounts from income.

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 “Layoff Tax Relief  
5 Act”.

6 **SEC. 2. EXCLUSION FROM INCOME OF SEVERANCE PAY-**  
7 **MENT AMOUNTS.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-  
9 ter 1 of the Internal Revenue Code of 1986 (relating to  
10 items specifically excluded from gross income) is amended

1 by redesignating section 139 as section 140 and by insert-  
 2 ing after section 138 the following new section:

3 **“SEC. 139. SEVERANCE PAYMENTS.**

4       “(a) IN GENERAL.—In the case of an individual,  
 5 gross income shall not include any qualified severance pay-  
 6 ment.

7       “(b) LIMITATION.—The amount to which the exclu-  
 8 sion under subsection (a) applies shall not exceed \$2,000  
 9 with respect to any separation from employment.

10       “(c) QUALIFIED SEVERANCE PAYMENT.—For pur-  
 11 poses of this section—

12               “(1) IN GENERAL.—The term ‘qualified sever-  
 13 ance payment’ means any payment received by an  
 14 individual if—

15                       “(A) such payment was paid by such indi-  
 16 vidual’s employer on account of such individ-  
 17 ual’s separation from employment, and

18                       “(B) such separation was in connection  
 19 with a reduction in the work force of the em-  
 20 ployer.

21       “(2) LIMITATION.—Such term shall not include  
 22 any payment received by an individual if the aggre-  
 23 gate payments received with respect to the separa-  
 24 tion from employment exceed \$150,000.”

1       (b) CLERICAL AMENDMENT.—The table of sections  
2 for part III of subchapter B of chapter 1 of such Code  
3 is amended by striking the item relating to section 139  
4 and inserting the following new items:

“Sec. 139. Severance payments.

“Sec. 140. Cross references to other Acts.”

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 1999.

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