

106TH CONGRESS  
1ST SESSION

# S. 84

To amend the Internal Revenue Code of 1986 to provide exemptions from taxation with respect to public safety officers killed in the line of duty.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. BUNNING 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 provide exemptions from taxation with respect to public safety officers killed in the line of duty.

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 “Fallen Heroes Act”.

5       **SEC. 2. EXEMPTIONS FROM TAXATION WITH RESPECT TO**

6                       **PUBLIC SAFETY OFFICERS KILLED IN THE**

7                       **LINE OF DUTY.**

8       (a) EXEMPTION FROM INCOME AND ESTATE AND

9       GIFT TAX.—

1           (1) IN GENERAL.—Chapter 77 of the Internal  
 2       Revenue Code of 1986 (relating to miscellaneous  
 3       provisions) is amended by adding at the end the fol-  
 4       lowing new section:

5       **“SEC. 7527. PUBLIC SAFETY OFFICERS KILLED IN THE LINE**  
 6                       **OF DUTY.**

7       “(a) IN GENERAL.—In the case of an individual who  
 8       at the time of death is a public safety officer killed in the  
 9       line of duty—

10           “(1) any tax imposed by subtitle A shall not  
 11       apply with respect to the taxable year in which falls  
 12       the date of the death of such individual,

13           “(2) any tax under subtitle A which is unpaid  
 14       at the date of the death of such individual (including  
 15       interest, additions to the tax, and additional  
 16       amounts) shall not be assessed, and if assessed the  
 17       assessment shall be abated, and if collected shall be  
 18       credited or refunded as an overpayment,

19           “(3) any tax imposed by chapter 11 shall not  
 20       apply with respect to the estate of such individual,

21           “(4) any tax imposed by chapter 12 on the  
 22       transfer of property by gift by such individual dur-  
 23       ing the calendar year in which falls the date of the  
 24       death of such individual shall not apply, and

1 “(5) any tax imposed by chapter 13 on a gen-  
 2 eration-skipping transfer by such individual shall not  
 3 apply.

4 “(b) EXCEPTIONS.—For purposes of subsection (a),  
 5 rules similar to the rules of paragraph (2) of section  
 6 101(h) shall apply.

7 “(c) PUBLIC SAFETY OFFICER.—For purposes of  
 8 subsection (a), the term ‘public safety officer’ has the  
 9 meaning given such term by section 101(h).”.

10 (2) CLERICAL AMENDMENT.—The table of sec-  
 11 tions for chapter 77 of such Code is amended by in-  
 12 serting after the item relating to section 7526 the  
 13 following new item:

“Sec. 7527. Public safety officers killed in the line of duty.”.

14 (b) EXEMPTIONS FOR RETIREMENT AND SURVIVOR  
 15 BENEFITS.—So much of subsection (h) of section 101 of  
 16 such Code as precedes paragraph (2) is amended to read  
 17 as follows:

18 “(h) DISTRIBUTIONS FROM RETIREMENT PLAN OF  
 19 PUBLIC SAFETY OFFICER WHO IS KILLED IN THE LINE  
 20 OF DUTY.—

21 “(1) IN GENERAL.—Gross income shall not in-  
 22 clude any distribution from a pension, annuity, re-  
 23 tirement, bonus, or profit sharing plan on account of  
 24 the death of an individual who, at the time of death,  
 25 is a public safety officer (as such term is defined in

1       section 1204 of the Omnibus Crime Control and  
2       Safe Streets Act of 1968) killed in the line of  
3       duty.”.

4       (c) EFFECTIVE DATE.—The amendments made by  
5       this section shall apply with respect to deaths occurring  
6       after the date of enactment of this Act.

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