

107TH CONGRESS
1ST SESSION

H. R. 1940

To provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2001

Mr. NADLER (for himself, Mr. WELLER, Ms. SCHAKOWSKY, Mr. LATOURETTE, Mr. WEINER, Mr. CARDIN, Mr. BERMAN, Mr. ENGEL, and Mr. WAXMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes.

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 “Holocaust Victims Tax
5 Fairness Act of 2001”.

1 **SEC. 2. NO FEDERAL INCOME TAX ON RESTITUTION RE-**
2 **CEIVED BY VICTIMS OF THE NAZI REGIME OR**
3 **THEIR HEIRS OR ESTATES.**

4 (a) IN GENERAL.—For purposes of the Internal Rev-
5 enue Code of 1986, any excludable restitution payments
6 received by an eligible individual (or the individual's heirs
7 or estate)—

8 (1) shall not be included in gross income; and

9 (2) shall not be taken into account for purposes
10 of applying any provision of such Code which takes
11 into account excludable income in computing ad-
12 justed gross income, including section 86 of such
13 Code (relating to taxation of Social Security bene-
14 fits).

15 For purposes of such Code, the basis of any property re-
16 ceived by an eligible individual (or the individual's heirs
17 or estate) as part of an excludable restitution payment
18 shall be the fair market value of such property as of the
19 time of the receipt.

20 (b) COORDINATION WITH FEDERAL MEANS-TESTED
21 PROGRAMS.—

22 (1) IN GENERAL.—Any excludable restitution
23 payment shall be disregarded in determining eligi-
24 bility for, and the amount of benefits or services to
25 be provided under, any Federal or federally assisted

1 program which provides benefits or service based, in
2 whole or in part, on need.

3 (2) PROHIBITION AGAINST RECOVERY OF
4 VALUE OF EXCESSIVE BENEFITS OR SERVICES.—No
5 officer, agency, or instrumentality of any govern-
6 ment may attempt to recover the value of excessive
7 benefits or services provided under a program de-
8 scribed in subsection (a) before January 1, 2000, by
9 reason of any failure to take account of excludable
10 restitution payments received before such date.

11 (3) NOTICE REQUIRED.—Any agency of govern-
12 ment that has taken into account excludable restitu-
13 tion payments in determining eligibility for a pro-
14 gram described in subsection (a) before January 1,
15 2000, shall make a good faith effort to notify any
16 individual who may have been denied eligibility for
17 benefits or services under the program of the poten-
18 tial eligibility of the individual for such benefits or
19 services.

20 (4) COORDINATION WITH 1994 ACT.—Nothing
21 in this Act shall be construed to override any right
22 or requirement under “An Act to require certain
23 payments made to victims of Nazi persecution to be
24 disregarded in determining eligibility for and the
25 amount of benefits or services based on need”, ap-

1 proved August 1, 1994 (Public Law 103–286; 42
2 U.S.C. 1437a note), and nothing in that Act shall
3 be construed to override any right or requirement
4 under this Act.

5 (c) ELIGIBLE INDIVIDUAL.—For purposes of this sec-
6 tion, the term “eligible individual” means a person who
7 was persecuted for racial or religious reasons by Nazi Ger-
8 many, any other Axis regime, or any other Nazi-controlled
9 or Nazi-allied country.

10 (d) EXCLUDABLE RESTITUTION PAYMENT.—For
11 purposes of this section, the term “excludable restitution
12 payment” means any payment or distribution to an indi-
13 vidual (or the individual’s heirs or estate) which—

14 (1) is payable by reason of the individual’s sta-
15 tus as an eligible individual, including any amount
16 payable by any foreign country, the United States of
17 America, or any other foreign or domestic entity, or
18 a fund established by any such country or entity,
19 any amount payable as a result of a final resolution
20 of a legal action, and any amount payable under a
21 law providing for payments or restitution of prop-
22 erty;

23 (2) constitutes the direct or indirect return of,
24 or compensation or reparation for, assets stolen or
25 hidden from, or otherwise lost to, the individual be-

1 fore, during, or immediately after World War II by
2 reason of the individual's status as an eligible indi-
3 vidual, including any proceeds of insurance under
4 policies issued on eligible individuals by European
5 insurance companies immediately before and during
6 World War II; or

7 (3) consists of interest which is payable as part
8 of any payment or distribution described in para-
9 graph (1) or (2).

10 (e) EFFECTIVE DATE.—

11 (1) IN GENERAL.—This section shall apply to
12 any amount received on or after January 1, 2000.

13 (2) NO INFERENCE.—Nothing in this Act shall
14 be construed to create any inference with respect to
15 the proper tax treatment of any amount received be-
16 fore January 1, 2000.

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