

thereof. A member of a State defense force established under this section is not exempt from military service in the Armed Forces of the United States under any Federal law by reason of membership therein, and further, such member is not entitled to pay, allowances, subsistence, transportation, or medical care or treatment from Federal funds. No person may become a member of the organized militia established under this section if he is a member of the Reserve Forces as defined in section 101 of the Armed Forces Reserve Act of 1952."

Approved August 11, 1955.

56 Stat. 481.
50 USC 901.

Public Law 365

CHAPTER 803

AN ACT

To provide permanent authority for the relief of certain disbursing officers, and for other purposes.

August 11, 1955
[H. R. 7034]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) whenever (1) any deficiency exists or occurs in the official disbursing accounts of any disbursing officer or former disbursing officer of any department, agency, or independent establishment of the Government in consequence of the making of any illegal, improper, or incorrect payment, and (2) the Comptroller General or any officer of the General Accounting Office designated by the Comptroller General determines, upon his own motion or upon written findings and recommendations made by the head of the department, agency, or independent establishment concerned, or his designees for that purpose, that such payment was not the result of bad faith or lack of due care on the part of such disbursing officer, the Comptroller General or his designee is authorized in his discretion to relieve such disbursing officer of accountability and responsibility, and allow credit in his official disbursing accounts, for such deficiency. Such relief may be denied in any case in which the Comptroller General or his designee determines that the department, agency, or independent establishment concerned has not diligently pursued collection action in accordance with procedures prescribed by the Comptroller General.

Disbursing offi-
cers.
Relief.

(b) Nothing contained in this section shall (1) affect the liability, or authorize the relief, of any payee, beneficiary, or recipient of any illegal, improper, or incorrect payment, or (2) relieve any such disbursing officer, the head of any department, agency, or establishment, or the Comptroller General of responsibility to pursue collection action against any such payee, beneficiary, or recipient. This section shall not deprive any such disbursing officer of any right which he otherwise may have to obtain relief by any other means with respect to any illegal, improper, or incorrect payment.

(c) Whenever it is necessary in the opinion of the Comptroller General to restore or otherwise adjust in the account of any disbursing officer any amount as to which relief is granted under this section, such amount, unless another appropriation is specifically provided therefor, shall be charged to the appropriation or fund available for the expense of the disbursing function at the time the adjustment is effected.

SEC. 2. (a) The Act entitled "An Act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge", approved December 13, 1944 (58 Stat. 800 as amended; 31 U. S. C. 95a), is amended to read as follows:

"That whenever (1) any disbursing officer of the Army, Navy, Air Force, or Marine Corps incurs or has incurred a physical loss or deficiency of any Government funds, vouchers, records, or papers in his charge and (2) the Secretary of the department concerned determines that such loss or deficiency occurred while the officer was in line of his duty and that such loss or deficiency occurred without fault or negligence on his part, the General Accounting Office shall relieve such officer of the liability for such loss or deficiency, or authorize the reimbursement, from any appropriation or fund made available for that purpose, of amounts paid by or on behalf of such officer in restitution of such loss or deficiency. Any determination made by the Secretary of the department concerned under this Act shall be conclusive upon the General Accounting Office. No relief may be granted under this Act with respect to any deficiency in the accounts of any disbursing officer which results from any illegal or erroneous payment. This Act shall not deprive any disbursing officer of any right which he otherwise may have to obtain relief by any other means with respect to any loss or deficiency covered by this Act."

(b) No reimbursement shall be made under the amendment made by subsection (a) for any loss or deficiency occurring before the date of enactment of this Act.

Repeal.

SEC. 3. The second paragraph under the heading "Pay, miscellaneous", of the first section of the Act of July 11, 1919 (41 Stat. 132, as amended; 31 U. S. C. 105) is hereby repealed.

Approved August 11, 1955.

Public Law 366

CHAPTER 804

August 11, 1955
[H.R. 7300]

AN ACT

To amend the Internal Revenue Code of 1954 with respect to the tax treatment of income received from patent infringement suits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part I of subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is hereby amended by renumbering section 1304 as section 1305, and by inserting after section 1303 the following new section:

68A Stat. 336.
26 USC 1304.

"SEC. 1304. COMPENSATORY DAMAGES FOR PATENT INFRINGEMENT.

"If an amount representing compensatory damages is received or accrued by a taxpayer during a taxable year as the result of an award in a civil action for infringement of a patent issued by the United States, then the tax attributable to the inclusion of such amount in gross income for the taxable year shall not be greater than the aggregate of the increases in taxes which would have resulted if such amount had been included in gross income in equal installments for each month during which such infringement occurred."

(b) The table of sections for such part I is hereby amended by striking out

"Sec. 1304. Rules applicable to this part."

and inserting in lieu thereof the following:

"Sec. 1304. Compensatory damages for patent infringement.

"Sec. 1305. Rules applicable to this part."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years ending after the date of the enactment of this Act, but only with respect to amounts received or accrued after such date as the result of awards made after such date.

Approved August 11, 1955.