

Public Law 86-496

AN ACT

June 8, 1960
[H. R. 11405]

To provide for the treatment of income from discharge of indebtedness of a railroad corporation in a receivership proceeding or in a proceeding under section 77 of the Bankruptcy Act commenced before January 1, 1960, and for other purposes.

Taxes.
Railroad cor-
porations.
68A Stat. 32.
26 USC 108.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 108 (b) of the Internal Revenue Code of 1954 (relating to income of a railroad corporation from discharge of indebtedness) is hereby amended to read as follows:

“(b) RAILROAD CORPORATIONS.—No amount shall be included in gross income by reason of the discharge, cancellation, or modification, in whole or in part, within the taxable year, of any indebtedness of a railroad corporation, as defined in section 77 (m) of the Bankruptcy Act (11 U.S.C. 205 (m)), if such discharge, cancellation, or modification is effected pursuant to an order of a court—

“(A) in a receivership proceeding, or

“(B) in a proceeding under section 77 of the Bankruptcy Act, commenced before January 1, 1960. In such cases, the amount of any income of the taxpayer attributable to any unamortized premium (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be included in gross income, and the amount of the deduction attributable to any unamortized discount (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be allowed as a deduction. Subsection (a) of this section shall not apply with respect to any discharge of indebtedness to which this subsection applies.”

47 Stat. 1481.

Applicability.

(b) The amendment made by subsection (a) shall apply to taxable years ending after December 31, 1959, but only with respect to discharges occurring after such date.

Deductibility of
vacation pay.

SEC. 2. Section 97 of the Technical Amendments Act of 1958 (26 U.S.C., sec. 162 note; 72 Stat. 1672), relating to deductibility of accrued vacation pay, is amended by striking out “January 1, 1961,” and inserting in lieu thereof “January 1, 1963.”

Approved June 8, 1960.

Public Law 86-497

AN ACT

June 8, 1960
[H. R. 10703]

To grant a waiver of national service life insurance premiums to certain veterans who became totally disabled in line of duty between the date of application and the effective date of their insurance.

Veterans.
Disability in-
surance waiver.
72 Stat. 1150.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 712 of title 38, United States Code, is amended by adding the following new subsection at the end thereof:

“(d) In any case in which an insured has been denied or would have been denied premium waiver under section 602 (n) of the National Service Life Insurance Act of 1940 or this section solely because he became totally disabled between the date of valid application for insurance and the subsequent effective date thereof, and in which it is shown that (1) the total disability was incurred in line of duty between October 8, 1940, and July 31, 1946, inclusive, or June 27, 1950, and April 30, 1951, inclusive, and (2) the insured remained continuously so totally disabled to the date of death or the date of

54 Stat. 1011.

enactment of this subsection, whichever is earlier, the Administrator may grant waiver of premiums from the beginning of and during the continuous total disability of such insured. Application for waiver of premiums under this subsection must be filed by the insured or, in the event of his death, by the beneficiary within two years after the date of enactment of this subsection, except that if the insured or the beneficiary be insane or a minor within the two-year period, application for such waiver may be filed within two years after removal of such legal disability, or if an insane insured shall die before the removal of the disability, application may be filed by the beneficiary within two years after the insured's death. No insurance shall be placed in force under this subsection in any case in which there was an award of benefits under the Servicemen's Indemnity Act of 1951 or of gratuitous insurance under section 722(b) of this title. The amount of insurance placed in force hereunder together with any other United States Government life insurance or national service life insurance in force at the time of death, or at the time of the insured's application for waiver hereunder, may not exceed \$10,000 and shall be reduced by the amount of any gratuitous insurance awarded under the National Service Life Insurance Act of 1940. Waiver of premiums under this subsection shall render the insurance nonparticipating during the period such premium waiver is in effect. The cost of waiver of premium and death benefits paid as a result of this subsection shall be borne by the United States."

Approved June 8, 1960.

65 Stat. 33; 72
Stat. 1155.

54 Stat. 1008.

Public Law 86-498

AN ACT

To extend for two years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

June 8, 1960
[H. R. 9983]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 703 of the Federal Property and Administrative Services Act of 1949 (69 Stat. 722) is amended by striking out the figures "1961", and inserting in lieu thereof the figures "1963".

72 Stat. 456.
40 USC 523.

(b) Section 704 of such Act (69 Stat. 723) is amended by striking out the figures "1960", and inserting in lieu thereof the figures "1962".

40 USC 524.

Approved June 8, 1960.

Public Law 86-499

AN ACT

To amend section 315 of title 38, United States Code, to provide additional compensation for seriously disabled veterans having four or more children.

June 8, 1960
[H. R. 10898]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315(a)(1) of title 38, United States Code, is amended by inserting "(plus \$12 for each living child in excess of three)" immediately before the semicolon at the end of subparagraph (D) and (G).

Disabled veterans.
Additional compensation.
72 Stat. 1121.

SEC. 2. The amendments made by this Act shall take effect on the first day of the second calendar month which begins after the date of enactment of this Act.

Approved June 8, 1960.