

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE**

Pub. L. 105-33, title IV, § 4006(c), Aug. 5, 1997, 111 Stat. 334, provided that: “The amendments made by this section [enacting this section, amending sections 220 and 4973 of this title, and renumbering former section 138 of this title as section 139 of this title] shall apply to taxable years beginning after December 31, 1998.”

§ 139. Disaster relief payments**(a) General rule**

Gross income shall not include any amount received by an individual as a qualified disaster relief payment.

(b) Qualified disaster relief payment defined

For purposes of this section, the term “qualified disaster relief payment” means any amount paid to or for the benefit of an individual—

(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses incurred as a result of a qualified disaster,

(2) to reimburse or pay reasonable and necessary expenses incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster,

(3) by a person engaged in the furnishing or sale of transportation as a common carrier by reason of the death or personal physical injuries incurred as a result of a qualified disaster, or

(4) if such amount is paid by a Federal, State, or local government, or agency or instrumentality thereof, in connection with a qualified disaster in order to promote the general welfare,

but only to the extent any expense compensated by such payment is not otherwise compensated for by insurance or otherwise.

(c) Qualified disaster defined

For purposes of this section, the term “qualified disaster” means—

(1) a disaster which results from a terroristic or military action (as defined in section 692(c)(2)),

(2) a federally declared disaster (as defined by section 165(i)(5)(A)),

(3) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the Secretary to be of a catastrophic nature, or

(4) with respect to amounts described in subsection (b)(4), a disaster which is determined by an applicable Federal, State, or local authority (as determined by the Secretary) to warrant assistance from the Federal, State, or local government or agency or instrumentality thereof.

(d) Coordination with employment taxes

For purposes of chapter 2 and subtitle C, qualified disaster relief payments and qualified disaster mitigation payments shall not be treated as net earnings from self-employment, wages, or compensation subject to tax.

(e) No relief for certain individuals

Subsections (a), (f), and (g) shall not apply with respect to any individual identified by the

Attorney General to have been a participant or conspirator in a terroristic action (as so defined), or a representative of such individual.

(f) Exclusion of certain additional payments

Gross income shall not include any amount received as payment under section 406 of the Air Transportation Safety and System Stabilization Act.

(g) Qualified disaster mitigation payments**(1) In general**

Gross income shall not include any amount received as a qualified disaster mitigation payment.

(2) Qualified disaster mitigation payment defined

For purposes of this section, the term “qualified disaster mitigation payment” means any amount which is paid pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (as in effect on the date of the enactment of this subsection) or the National Flood Insurance Act (as in effect on such date) to or for the benefit of the owner of any property for hazard mitigation with respect to such property. Such term shall not include any amount received for the sale or disposition of any property.

(3) No increase in basis

Notwithstanding any other provision of this subtitle, no increase in the basis or adjusted basis of any property shall result from any amount excluded under this subsection with respect to such property.

(h) Denial of double benefit

Notwithstanding any other provision of this subtitle, no deduction or credit shall be allowed (to the person for whose benefit a qualified disaster relief payment or qualified disaster mitigation payment is made) for, or by reason of, any expenditure to the extent of the amount excluded under this section with respect to such expenditure.

(Added Pub. L. 107-134, title I, § 111(a), Jan. 23, 2002, 115 Stat. 2432; amended Pub. L. 109-7, § 1(a), Apr. 15, 2005, 119 Stat. 21; Pub. L. 110-343, div. C, title VII, § 706(a)(2)(D)(iv), Oct. 3, 2008, 122 Stat. 3922; Pub. L. 115-141, div. U, title IV, § 401(a)(41), (b)(10)(A), Mar. 23, 2018, 132 Stat. 1186, 1202.)

Editorial Notes**REFERENCES IN TEXT**

Section 406 of the Air Transportation Safety and System Stabilization Act, referred to in subsec. (f), is section 406 of Pub. L. 107-42, which is set out as a note under section 40101 of Title 49, Transportation.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (g)(2), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143, which is classified principally to chapter 68 (§ 5121 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of Title 42 and Tables.

The date of the enactment of this subsection, referred to in subsec. (g)(2), is the date of enactment of Pub. L. 109-7, which was approved Apr. 15, 2005.

The National Flood Insurance Act, referred to in subsec. (g)(2), probably means the National Flood Insurance Act of 1968, title XIII of Pub. L. 90-448, Aug. 1, 1968,

82 Stat. 572, as amended, which is classified principally to chapter 50 (§4001 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 4001 of Title 42 and Tables.

PRIOR PROVISIONS

A prior section 139 was renumbered section 140 of this title.

AMENDMENTS

2018—Subsec. (c)(2). Pub. L. 115-141, §401(b)(10)(A), substituted “section 165(i)(5)(A)” for “section 165(h)(3)(C)(i)”.

Pub. L. 115-141, §401(a)(41), substituted “a federally” for “federally”.

2008—Subsec. (c)(2). Pub. L. 110-343 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “a Presidentially declared disaster (as defined in section 1033(h)(3)).”

2005—Subsec. (d). Pub. L. 109-7, §1(a)(2)(A), substituted “qualified disaster relief payments and qualified disaster mitigation payments” for “a qualified disaster relief payment”.

Subsec. (e). Pub. L. 109-7, §1(a)(2)(B), substituted “, (f), and (g)” for “and (f)”.

Subsecs. (g), (h). Pub. L. 109-7, §1(a)(1), added subsecs. (g) and (h).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-343 applicable to disasters declared in taxable years beginning after Dec. 31, 2007, see section 706(d)(1) of Pub. L. 110-343, set out as a note under section 56 of this title.

EFFECTIVE DATE OF 2005 AMENDMENT

Pub. L. 109-7, §1(c)(1), Apr. 15, 2005, 119 Stat. 22, provided that: “The amendments made by subsection (a) [amending this section] shall apply to amounts received before, on, or after the date of the enactment of this Act [Apr. 15, 2005].”

EFFECTIVE DATE

Pub. L. 107-134, title I, §111(c), Jan. 23, 2002, 115 Stat. 2433, provided that: “The amendments made by this section [enacting this section and renumbering former section 139 as section 140 of this title] shall apply to taxable years ending on or after September 11, 2001.”

SAVINGS PROVISION

For provisions that nothing in amendment by section 401(b)(10)(A) of Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

§ 139A. Federal subsidies for prescription drug plans

Gross income shall not include any special subsidy payment received under section 1860D-22 of the Social Security Act.

(Added Pub. L. 108-173, title XII, §1202(a), Dec. 8, 2003, 117 Stat. 2480; amended Pub. L. 111-148, title IX, §9012(a), Mar. 23, 2010, 124 Stat. 868.)

Editorial Notes

REFERENCES IN TEXT

Section 1860D-22 of the Social Security Act, referred to in text, is classified to section 1395w-132 of Title 42, The Public Health and Welfare.

AMENDMENTS

2010—Pub. L. 111-148 struck out second sentence which read as follows: “This section shall not be taken into account for purposes of determining whether any deduction is allowable with respect to any cost taken into account in determining such payment.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-148, title IX, §9012(b), Mar. 23, 2010, 124 Stat. 868, as amended by Pub. L. 111-152, title I, §1407, Mar. 30, 2010, 124 Stat. 1067, provided that: “The amendment made by this section [amending this section] shall apply to taxable years beginning after December 31, 2012.”

EFFECTIVE DATE

Section applicable to taxable years ending after Dec. 8, 2003, see section 1202(d) of Pub. L. 108-173, set out as an Effective Date of 2003 Amendment note under section 56 of this title.

§ 139B. Benefits provided to volunteer firefighters and emergency medical responders

(a) In general

In the case of any member of a qualified volunteer emergency response organization, gross income shall not include—

- (1) any qualified State and local tax benefit, and
- (2) any qualified payment.

(b) Denial of double benefits

In the case of any member of a qualified volunteer emergency response organization—

- (1) the deduction under 164 shall be determined with regard to any qualified State and local tax benefit, and
- (2) expenses paid or incurred by the taxpayer in connection with the performance of services as such a member shall be taken into account under section 170 only to the extent such expenses exceed the amount of any qualified payment excluded from gross income under subsection (a).

(c) Definitions

For purposes of this section—

(1) Qualified State and local tax benefit

The term “qualified state and local tax benefit” means any reduction or rebate of a tax described in paragraph (1), (2), or (3) of section 164(a) provided by a State or political division thereof on account of services performed as a member of a qualified volunteer emergency response organization.

(2) Qualified payment

(A) In general

The term “qualified payment” means any payment (whether reimbursement or otherwise) provided by a State or political division thereof on account of the performance of services as a member of a qualified volunteer emergency response organization.

(B) Applicable dollar limitation

The amount determined under subparagraph (A) for any taxable year shall not exceed \$50 multiplied by the number of months during such year that the taxpayer performs such services.