



**Joint Committee on Taxation
May 8, 2001
JCX-36-01**

**DESCRIPTION OF CHAIRMAN'S AMENDMENT IN THE NATURE OF A
SUBSTITUTE TO H.R. 1727,
THE "FALLEN HERO SURVIVOR BENEFIT FAIRNESS ACT OF 2001"
Scheduled for a Markup by the House Committee on Ways and Means on May 9, 2001**

Present Law

The Taxpayer Relief Act of 1997 provided that an amount paid as a survivor annuity on account of the death of a public safety officer who is killed in the line of duty is excludable from income to the extent the survivor annuity is attributable to the officer's service as a law enforcement officer. The survivor annuity must be provided under a governmental plan to the surviving spouse (or former spouse) of the public safety officer or to a child of the officer. Public safety officers include law enforcement officers, firefighters, rescue squad or ambulance crew. The provision does not apply with respect to the death of a public safety officer if it is determined by the appropriate supervising authority that (1) the death was caused by the intentional misconduct of the officer or by the officer's intention to bring about the death, (2) the officer was voluntarily intoxicated at the time of death, (3) the officer was performing his or her duties in a grossly negligent manner at the time of death, or (4) the actions of the individual to whom payment is to be made were a substantial contributing factor to the death of the officer.

The provision applies to amounts received in taxable years beginning after December 31, 1996, with respect to individuals dying after that date.

Description of Proposal

The proposal would extend the present-law treatment of survivor annuities with respect to public safety officers killed in the line of duty with respect to individuals dying on or before December 31, 1996.

Effective Date

The provision would be effective with respect to payments received after December 31, 2001.