

103^D CONGRESS
1ST SESSION

H. R. 2802

To amend the Internal Revenue Code of 1986 to exempt unemployment benefits from Federal and State income taxation.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1993

Mr. BLACKWELL introduced the following bill; which was referred jointly to the Committees on Ways and Means and the Judiciary

A BILL

To amend the Internal Revenue Code of 1986 to exempt unemployment benefits from Federal and State income taxation.

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. EXEMPTION OF UNEMPLOYMENT BENEFITS**
4 **FROM FEDERAL INCOME TAX.**

5 (a) GENERAL RULE.—Section 85 of the Internal
6 Revenue Code of 1986 is hereby repealed.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 6050B of such Code is hereby re-
9 pealed.

1 (2) The table of sections for part II of sub-
2 chapter B of chapter 1 of such Code is amended by
3 striking the item relating to section 85.

4 (3) The table of sections for subpart B of part
5 III of subchapter A of chapter 61 of such Code is
6 amended by striking the item relating to section
7 6050B.

8 **SEC. 2. EXEMPTION OF UNEMPLOYMENT BENEFITS FROM**
9 **STATE OR LOCAL INCOME TAX.**

10 (a) GENERAL RULE.—Chapter 4 of title 4, United
11 States Code, is amended by adding at the end thereof the
12 following new section:

13 **“§ 114. Exemption of unemployment benefits**

14 “(a) No State, or political subdivision thereof, may
15 include unemployment compensation in income for pur-
16 poses of any income tax (as defined in section 110(c) of
17 this title) levied by such State or political subdivision
18 thereof.

19 “(b) For purposes of this section—

20 “(1) the term ‘unemployment compensation’
21 means any amount received under a law of the
22 United States or of a State which is in the nature
23 of unemployment compensation, and

24 “(2) the term ‘State’ includes the District of
25 Columbia.”

1 (b) The analysis for chapter 4 of title 4, United
2 States Code, is amended by adding at the end thereof the
3 following:

“114. Exemption of unemployment benefits.”

4 **SEC. 3. EFFECTIVE DATE.**

5 The amendments made by this section shall apply to
6 amounts received after December 31, 1992.

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