

103^D CONGRESS
1ST SESSION

H. R. 2971

To permit the recovery of certain overpayments of tax on disability payments received on severance from the military.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1993

Mr. McCLOSKEY (for himself, Mr. JACOBS, and Mr. DARDEN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To permit the recovery of certain overpayments of tax on disability payments received on severance from the military.

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. TREATMENT OF CERTAIN DISABILITY SEVER-**

4 **ANCE PAYMENTS.**

5 (a) WAIVER OF STATUTE OF LIMITATIONS.—If—

6 (1) an individual included nontaxable military
7 disability severance payments in gross income for
8 any taxable year, and

9 (2) on the date of the enactment of this Act or
10 at any time during the 1-year period beginning on

1 such date of enactment, credit or refund of any over-
2 payment attributable to such inclusion is barred by
3 any law or rule of law (including res judicata),
4 credit or refund of such overpayment shall, nevertheless,
5 be allowed or made if claim therefor is filed before the
6 date 1 year after the date of the enactment of this Act.

7 (b) SPECIAL RULES.—The provisions of subsection
8 (a) shall also permit the Secretary of the Treasury or his
9 delegate to credit or refund any overpayment referred to
10 in subsection (a) during the 1-year period referred to in
11 subsection (a) without any claim being filed therefor. To
12 the maximum extent possible, the Secretary shall allow or
13 make such credits or refunds without waiting for claims
14 to be filed.

15 (c) NONTAXABLE MILITARY DISABILITY SEVERANCE
16 PAYMENT.—For purposes of this section, the term “non-
17 taxable military disability severance payment” means any
18 lump-sum severance payment which—

19 (1) was received on account of personal injuries
20 or sickness resulting from active service in the
21 Armed Forces of the United States, and

22 (2) is excludable from gross income under sec-
23 tion 104 of the Internal Revenue Code of 1986.

○