George W. Bush Presidential Library

Collection: Executive Clerk, Office of the

Series: Saunders, G. Timothy (Tim) – Bill Files

Folder Title: 01/23/2002 [H.R. 2884] [1]

Withdrawn/Redacted Material
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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
002	Note	Bill Signing Recommendations	2	N. D.	P5;
003	Speech	Draft # 4 - Victims of Terrorism Tax Relief Act Signing [page 3] - From: Ed Walsh	3	01/23/2002	P5; P6/b6;
004	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
005	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
006	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
007	Letter	[Views of the U. S. Department of Justice] - To: Mitchell E. Daniels, Jr. - From: Daniel J. Bryant	2	01/09/2002	P5;

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Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/23/2002 [H.R. 2884] [1]

FRC ID:
782

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

Deed of Gift Restrictions

A. Closed by Executive Order 13526 governing access to national security information.
B. Closed by statute or by the agency which originated the document.
C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

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 This document was prepared on Friday, November 15, 2013

SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-15-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-18-02 5:00 PM

Subject: ENROLLED BILL MEMO H.R. 2884 -- VICTIMS OF TERRORISM RELIEF ACT OF 2001 SPONSORS -- REP. THOMAS (R) CALIFORNIA AND 129 COSPONSORS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
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CONNAUGHTON	☐	☐	MIERS	☐	☑
DANIELS	☑	☐	RICE	☑	☐
FLEISCHER	☑	☐	RIDGE	☑	☐
GERSON	☐	☐	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			OTHER	☐	☐

REMARKS:
PLEASE FORWARD YOUR COMMENTS TO THE STAFF SECRETARY, X62702, NO LATER THAN 5:00 PM, FRIDAY, JANUARY 18, 2002, WITH A COPY TO JIM JUKES, X53458. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;

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NARA Num.:
1459

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This Document was withdrawn on 7/26/2013 by TDF

Attachment

Other Provisions of H.R. 2884

Tax Relief to Victims of September 11th and Anthrax Attacks

Payments by Charitable Organizations Treated as Exempt Payments. Under current law, generally, charitable organizations described in section 501(c)(3) of the Internal Revenue Code are exempt from taxation. In order to qualify for a 501(c)(3) tax exemption, an organization must be organized and operated for exempt purposes. The enrolled bill would allow charitable organizations to make pro rata payments prospectively to families of victims of the September 11th terrorist attacks and anthrax attacks without making a specific assessment of need, if the payments are made in good faith, using a reasonable and objective formula that is consistently applied.

Exclusion for Certain Cancellations of Indebtedness. Under current law, gross income generally includes income that is realized by a debtor from the discharge of indebtedness. The enrolled bill would exclude from gross income any amount realized from the discharge of indebtedness if the indebtedness is discharged by reason of the death of an individual as a result of the September 11th terrorist attacks, or as a result of an anthrax attack occurring on or after September 11, 2001, and before January 1, 2002. In addition, the enrolled bill would provide that the information return filing requirements that otherwise apply to discharges of indebtedness would not apply with respect to any discharge of indebtedness that is excluded from gross income. This provision of the bill would apply to discharges made on or after September 11, 2001, and before January 1, 2002.

Other Tax Relief Provisions

The enrolled bill would provide other tax relief, including relief to certain victims of terrorism.

Personal Exemption Deduction for Certain Disability Trusts. Current law provides a $300 personal exemption for trusts that are required by their governing instruments to currently distribute all of their income. For other trusts, present law provides a $100 personal exemption. These exemptions are in lieu of the personal exemption that generally is provided for individuals. The enrolled bill would allow certain disability trusts to claim as a personal exemption an amount based upon the personal exemption provided for individuals, rather than the $300 or $100 personal exemption provided under current law. This provision would apply to disability trusts the beneficiaries of which have been determined by the Social Security Administration to be disabled under the definition used for determining eligibility for Supplemental Security Income. This provision of the enrolled bill would apply to taxable years of disability trusts ending on or after September 11, 2001.

Taxation of Disaster Relief Payments. Under current law, there is generally no exclusion from gross income for disaster relief payments. The enrolled bill would provide a specific exclusion from income for "qualified disaster relief payments." A "qualified disaster" would include a disaster which results from a terrorist or military action, a Presidentially declared disaster, or a disaster which results from an accident involving a common carrier. In addition, the enrolled bill would clarify that compensation payments under the Air Transportation Safety and System Stabilization Act (P. L. 107-42) for eligible individuals who suffered physical harm or death as a result of the terrorist-related aircraft crashes of September 11, 2001, are excludable from gross income. This provision of the enrolled bill would apply to taxable years ending on or after September 11, 2001.

Income Tax Relief for Individuals Who Die as a Result of Terrorist Activity. Under current law, military and civilian employees of the United States who die as a result of wounds or injury incurred outside the United States in a terroristic or military action are not subject to income tax for the year of death or for prior taxable years beginning with the taxable year prior to the taxable year in which the wounds or injury were incurred. The enrolled bill would extend the current-law income tax relief to such personnel regardless of where the terroristic activity or military action occurred. This provision would be effective for taxable years ending on or after September 11, 2001.

Taxation of Disability Income Related to Terrorist Activity. Under current law, gross income excludes disability income of U.S. civilian employees attributable to a terrorist attack outside the United States. The enrolled bill would expand the current law exclusion to include disability income received by any individual attributable to a terroristic or military action. This provision would be effective for taxable years ending on or after September 11, 2001.

Treatment of Purchase of Structured Settlements. A structured settlement arrangement generally provides for periodic payments as damages in cases involving personal physical injuries or physical sickness, or for amounts received under workmen's compensation acts for personal injuries or sickness. Current law provides tax-favored treatment for structured settlement arrangements. The enrolled bill would generally impose an excise tax on any person who acquires certain payment rights under a structured settlement arrangement from a structured settlement recipient for consideration, e.g., a discounted lump-sum payment. The amount of the excise tax would be 40 percent of the excess of (1) the undiscounted amount of the payments being acquired, over (2) the total amount actually paid to acquire them. However, the 40-percent excise tax would be waived if it is found in advance by a court order that the transfer of payment rights is in the structured settlement recipient's best interest. This provision would generally be effective for acquisition transactions entered into 30 days or more following enactment of this bill.

Impact on Social Security Trust Funds

Under current law, the income tax collected with respect to a portion of Social Security benefits included in gross income is transferred to the Social Security trust fund. The enrolled bill would require Treasury to annually estimate the impact of the enrolled bill on the income and balances of the Social Security trust funds. If Treasury determines that the enrolled bill has a negative impact on the income and balances of the trust funds, then Treasury would be required to transfer from the general revenues of the Federal Government an amount sufficient to ensure that the income and balances of the trust funds are not reduced. Such transfers would have to be made at least quarterly.

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Note	Bill Signing Recommendations	2	N. D.	P5;

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SS/ RM NO. 1/23/02

WHITE HOUSE STAFFING MEMORANDUM

Date: 1-21-02 ACTION / CONCURRENCE / COMMENT DUE BY: 1-22-02 11:00 AM

Subject: VICTIMS OF TERRORISM TAX RELIEF ACT SIGNING - JANUARY 23, 2002

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☑	☐
BARTLETT	☑	☐	HUGHES	☑	☐
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GERSON	☐	☑	ROVE	☑	☐
GONZALES	☑	☐	SPELLINGS	☑	☐
HAGIN	☐	☐	~~CLERK~~	☐	☑
			OTHER	☐	☑

REMARKS:
Please forward comments directly to Krista Ritacco, x60170, no later than 11:00 a.m., Tuesday, January 22, 2002, with a cc to the Staff Secretary. Thank you.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

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SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-15-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-18-02 5:00 PM

Subject: ENROLLED BILL MEMO H.R. 2884 -- VICTIMS OF TERRORISM RELIEF ACT OF 2001 SPONSORS -- REP. THOMAS (R) CALIFORNIA AND 129 COSPONSORS

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BARTLETT	☑	☐	HUGHES ok	☑	☐
BLAKEMAN	☐	☐	IRASTORZA	☐	☐
BOLTEN	☑	☐	JOHNSON	☐	☐
CALIO OK	☑	☐	LINDSEY	☑	☐
CONNAUGHTON	☐	☐	MIERS	☐	☑
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GERSON	☐	☐	ROVE NC	☑	☐
GONZALES NC	☑	☐	SPELLINGS ok	☑	☐
HAGIN	☐	☐	CLERK	☐	☑
			OTHER	☐	☐

REMARKS:

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THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

Date: 01-15-02 ACTION / CONCURRENCE / COMMENT DUE BY: 01-18-02 5:00 PM

Subject: ENROLLED BILL MEMO H.R. 2884 -- VICTIMS OF TERRORISM RELIEF ACT OF 2001 SPONSORS -- REP. THOMAS (R) CALIFORNIA AND 129 COSPONSORS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;

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COLLECTION:
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SERIES:
Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
01/23/2002 [H.R. 2884] [1]

FRC ID:
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Saunders, G. Timothy (Tim) - Bill Files

FOLDER TITLE:
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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

GENERAL COUNSEL

The Honorable Mitchell E. Daniels, Jr.
Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Daniels:

This responds to your request for the views of this Department on enrolled bill H.R. 2884, the "Victims of Terrorism Tax Relief Act of 2001."

This legislation will amend the Internal Revenue Code of 1986 to provide tax relief for victims of terrorist attacks against the United States. It provides $360 million of income, estate, and other tax relief to victims of the September 11 terrorist attacks, the Oklahoma City bombing in 1995, and the recent anthrax bio-terrorism attacks. The same relief provisions had been included in H.R. 3529, the economic stimulus bill that passed the House on December 20.

The Department of the Treasury supports the enrolled bill and recommends that the President sign it into law.

Sincerely,

David D. Aufhauser
General Counsel

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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Letter	[Views of the U. S. Department of Justice] - To: Mitchell E. Daniels, Jr. - From: Daniel J. Bryant	2	01/09/2002	P5;

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01/23/2002 [H.R. 2884] [1]
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P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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A. Closed by Executive Order 13526 governing access to national security information.
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

This Document was withdrawn on 7/26/2013 by TDF

Attachment

Other Provisions of H.R. 2884

Tax Relief to Victims of September 11th and Anthrax Attacks

Payments by Charitable Organizations Treated as Exempt Payments. Under current law, generally, charitable organizations described in section 501(c)(3) of the Internal Revenue Code are exempt from taxation. In order to qualify for a 501(c)(3) tax exemption, an organization must be organized and operated for exempt purposes. The enrolled bill would allow charitable organizations to make pro rata payments prospectively to families of victims of the September 11th terrorist attacks and anthrax attacks without making a specific assessment of need, if the payments are made in good faith, using a reasonable and objective formula that is consistently applied.

Exclusion for Certain Cancellations of Indebtedness. Under current law, gross income generally includes income that is realized by a debtor from the discharge of indebtedness. The enrolled bill would exclude from gross income any amount realized from the discharge of indebtedness if the indebtedness is discharged by reason of the death of an individual as a result of the September 11th terrorist attacks, or as a result of an anthrax attack occurring on or after September 11, 2001, and before January 1, 2002. In addition, the enrolled bill would provide that the information return filing requirements that otherwise apply to discharges of indebtedness would not apply with respect to any discharge of indebtedness that is excluded from gross income. This provision of the bill would apply to discharges made on or after September 11, 2001, and before January 1, 2002.

Other Tax Relief Provisions

The enrolled bill would provide other tax relief, including relief to certain victims of terrorism.

Personal Exemption Deduction for Certain Disability Trusts. Current law provides a \$300 personal exemption for trusts that are required by their governing instruments to currently distribute all of their income. For other trusts, present law provides a \$100 personal exemption. These exemptions are in lieu of the personal exemption that generally is provided for individuals. The enrolled bill would allow certain disability trusts to claim as a personal exemption an amount based upon the personal exemption provided for individuals, rather than the \$300 or \$100 personal exemption provided under current law. This provision would apply to disability trusts the beneficiaries of which have been determined by the Social Security Administration to be disabled under the definition used for determining eligibility for Supplemental Security Income. This provision of the enrolled bill would apply to taxable years of disability trusts ending on or after September 11, 2001.

Taxation of Disaster Relief Payments. Under current law, there is generally no exclusion from gross income for disaster relief payments. The enrolled bill would provide a specific exclusion from income for "qualified disaster relief payments." A "qualified disaster" would include a disaster which results from a terrorist or military action, a Presidentially declared disaster, or a disaster which results from an accident involving a common carrier. In addition, the enrolled bill would clarify that compensation payments under the Air Transportation Safety and System Stabilization Act (P. L. 107-42) for eligible individuals who suffered physical harm or death as a result of the terrorist-related aircraft crashes of September 11, 2001, are excludable from gross income. This provision of the enrolled bill would apply to taxable years ending on or after September 11, 2001.

Income Tax Relief for Individuals Who Die as a Result of Terrorist Activity. Under current law, military and civilian employees of the United States who die as a result of wounds or injury incurred outside the United States in a terroristic or military action are not subject to income tax for the year of death or for prior taxable years beginning with the taxable year prior to the taxable year in which the wounds or injury were incurred. The enrolled bill would extend the current-law income tax relief to such personnel regardless of where the terroristic activity or military action occurred. This provision would be effective for taxable years ending on or after September 11, 2001.

Taxation of Disability Income Related to Terrorist Activity. Under current law, gross income excludes disability income of U.S. civilian employees attributable to a terrorist attack outside the United States. The enrolled bill would expand the current law exclusion to include disability income received by any individual attributable to a terroristic or military action. This provision would be effective for taxable years ending on or after September 11, 2001.

Treatment of Purchase of Structured Settlements. A structured settlement arrangement generally provides for periodic payments as damages in cases involving personal physical injuries or physical sickness, or for amounts received under workmen's compensation acts for personal injuries or sickness. Current law provides tax-favored treatment for structured settlement arrangements. The enrolled bill would generally impose an excise tax on any person who acquires certain payment rights under a structured settlement arrangement from a structured settlement recipient for consideration, e.g., a discounted lump-sum payment. The amount of the excise tax would be 40 percent of the excess of (1) the undiscounted amount of the payments being acquired, over (2) the total amount actually paid to acquire them. However, the 40-percent excise tax would be waived if it is found in advance by a court order that the transfer of payment rights is in the structured settlement recipient's best interest. This provision would generally be effective for acquisition transactions entered into 30 days or more following enactment of this bill.

Impact on Social Security Trust Funds

Under current law, the income tax collected with respect to a portion of Social Security benefits included in gross income is transferred to the Social Security trust fund. The enrolled bill would require Treasury to annually estimate the impact of the enrolled bill on the income and balances of the Social Security trust funds. If Treasury determines that the enrolled bill has a negative impact on the income and balances of the trust funds, then Treasury would be required to transfer from the general revenues of the Federal Government an amount sufficient to ensure that the income and balances of the trust funds are not reduced. Such transfers would have to be made at least quarterly.

Withdrawal Marker
The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

COLLECTION:
Executive Clerk, Office Of the
SERIES:
Saunders, G. Timothy (Tim) - Bill Files
FOLDER TITLE:
01/23/2002 [H.R. 2884] [1]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

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