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] [2]

Withdrawn/Redacted Material
The George W. Bush Library

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	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
003	Memorandum	Victims of Terrorism Relief Act of 2001 - To: POTUS - From: Mitchell E. Daniels, Jr.	4	01/15/2002	P5;
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;

COLLECTION TITLE:
Executive Clerk, Office Of the

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

FOLDER TITLE:
01/23/2002 [H.R. 2884] [2]

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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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)]

b(1) National security classified information [(b)(1) of the FOIA]
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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

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

'02 JAN 18 PM 3:50

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:

No comment

CB 1/17/02

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

** TOTAL PAGE.02 **

SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

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HAGIN	☐	☐	CLERK	☐	☑
			OTHER	☐	☐

'02 JAN 16 AM10:45

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RESPONSE:

In AHC

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)
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Executive Clerk, Office Of the

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

FOLDER TITLE:
01/23/2002 [H.R. 2884] [2]

FRC ID:
782

OA Num.:
733

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.

SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

'02 JAN 15 AM10:58

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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RESPONSE:

Bridget
cc Diana

OK

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

Withdrawal Marker
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
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SS/ RM NO. 505354

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'02 JAN 16 AM11:28

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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RESPONSE:

No comment

2002 JAN 16 AM 6:39

Harriet E. Miers
Assistant to the President
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Ext. 62702

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

Attachment

Other Provisions of H.R. 2884

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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

'02 JAN 15 PM 1:27

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	☑	☐
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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:

Legislative Affairs (Howard) - ok
BILL SIGNING SCHEDULED FOR JANUARY 23.

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;

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] [2]

FRC ID:
782

OA Num.:
733

NARA Num.:
1459

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RESPONSE:

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

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'02 JAN 16 PM5:45

OFFICE OF THE VICE PRESIDENT
WASHINGTON

January 16, 2002

MEMORANDUM FOR JIM JUKES

FROM: **JONATHAN BURKS** SDH
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: Enrolled Bill Memo HR 2884 – Victims of Terrorism Relief Act of 2001 Sponsors – Rep. Thomas (R) California and 129 Cosponsors

The Office of the Vice President has reviewed the above-referenced draft and has no comments.

cc: **Harriet Miers**
STAFF SECRETARY

SS/ RM NO. 505354

WHITE HOUSE STAFFING MEMORANDUM

BRETT

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

'02 JAN 17 PM5:44

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
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THANK YOU.

No comments

RESPONSE:

—Per Brett Kavanaugh

Harriet E. Miers
Assistant to the President
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Ext. 62702

SS/ RM NO. 505354

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'02 JAN 18 PM 12:57

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HAWKINS	☑	☐
CARD	☑	☐	HUBBARD	☐	☐
BARTLETT	☑	☐	HUGHES	☑	☐
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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

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H. R. 2884

One Hundred Seventh Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Wednesday, the third day of January, two thousand and one

THE WHITE HOUSE

An Act

To amend the Internal Revenue Code of 1986 to provide tax relief for victims of the terrorist attacks against the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the "Victims of Terrorism Tax Relief Act of 2001".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

that the income and balances of such trust funds are not reduced as a result of the enactment of this Act.

Speaker of the House of Representatives pro tempore.

~~*Vice President of the United States and*~~
President of the Senate Pro Tempore

APPROVED
JAN 23 2002

Rachael L. Sunbarger 01/23/2002 03:13:06 PM

Record Type: Record

To:

cc:

Subject: FACT SHEET: PRESIDENT BUSH SIGNS LEGISLATION TO HELP VICTIMS OF TERRORISM

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE **January 23, 2002**

President Bush Signs Legislation to Help Victims of Terrorism

TODAY'S PRESIDENTIAL ACTION

➢ President Bush today signed the Victims of Terrorism Tax Relief Act -- bipartisan legislation that provides significant income and estate tax relief to the families of victims of terrorism.

➢ The legislation will help the victims of September 11, the Oklahoma City bombing and the recent anthrax attacks.

BACKGROUND ON THE VICTIMS OF TERRORISM TAX RELIEF ACT

➢ Two days after the terrorist attacks of September 11, a bipartisan group of legislators led by House Ways and Means Committee Chairman Bill Thomas introduced H.R. 2884 to provide real tax relief to help the victims' families to recover.

➢ President Bush signaled early support for the legislation, and the Bush Administration worked with Members of Congress from both parties to develop a final bill.

➢ As signed into law by the President today, the Victims of Terrorism Tax Relief Act provides real tax relief to the families of those who died in the September 11 attacks, the Oklahoma City bombing and the anthrax attacks.

➢ Among the many provisions designed to help the families of victims, the new law will:

➢ ***Provide Real Tax Relief to Victims' Families:*** The new law waives the income tax liability of a victim who died in one of the attacks for both the year of the attack and the previous year. It ensures that a minimum benefit of $10,000 is provided to the family of each victim.

- ***Exclude Special Death Benefits From Taxation:*** A number of employers provided death benefits to the families of victims that would have been taxable. The new law provides tax-free treatment of these benefits.

- ***Lower Death Tax Rates for Victims:*** The new law shields the first $8.5 million of a victim's estate from the federal death tax, and protects the first $3 million of the estate from state death taxes as well. This provision also applies to the families of the men and women of America's Armed Forces who died in the line of duty in a combat zone as part of Operation Enduring Freedom.

- ***Facilitate Charitable Donations to Victims' Families:*** The new law facilitates payments by charitable organizations to victims' families as a result of the attacks. It also describes how employers can use private foundations to provide assistance to victims' families.

- ***Eliminate Income Tax on Victims' Debts Forgiven:*** Many creditors want to forgive the debts of victims, such as credit card balances. The new law provides that this debt forgiveness is not taxable.

For more information on the President's initiatives please visit www.whitehouse.gov

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	1641
CONNECTION TEL	51005
CONNECTION ID	
ST. TIME	01/15 23:33
USAGE T	03'58
PGS. SENT	8
RESULT	OK

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	☐	☐
CALIO	☑	☐	LINDSEY	☑	☐
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.

SS/ RM NO. 505354

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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;

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] [2]
FRC ID:
782
OA Num.:
733
NARA Num.:
1459

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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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.

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TRANSMISSION OK

TX/RX NO	1640
CONNECTION TEL	66212
CONNECTION ID	
ST. TIME	01/15 23:29
USAGE T	04'00
PGS. SENT	8
RESULT	OK

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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.