

Public Law 94-331  
94th Congress

An Act

To amend section 815 of the Internal Revenue Code to allow a life insurance company to disregard (for purposes of that section) a distribution during the last month of its taxable year, determined to have been made out of the policyholders surplus account, if such distribution is returned to the company not later than the due date for filing its income tax return (including extensions thereof) for that year, and for other purposes.

June 30, 1976

[H.R. 10051]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 815(d) of the Internal Revenue Code of 1954 (relating to special rules for distributions to shareholders) is amended by adding at the end thereof the following new paragraph:

Life insurance companies, certain distributions out of policyholders surplus account, restoration; Social Security Act, amendments. 26 USC 815.

“(6) RESTORATION OF AMOUNTS DISTRIBUTED OUT OF POLICYHOLDERS SURPLUS ACCOUNT.—Notwithstanding any other provision of this subchapter, no amount shall be subtracted from a taxpayer’s policyholders surplus account with respect to a distribution made during the last month of the taxable year which, without regard to this paragraph, would be treated in whole or in part as a distribution out of the policyholders surplus account, to the extent that amounts so distributed are returned to the taxpayer not later than the time prescribed by law (including extensions thereof) for filing the taxpayer’s return for the taxable year in which the distribution was made. For purposes of this paragraph, amounts returned to a taxpayer with respect to a distribution shall be first applied to the return of amounts which, without regard to this paragraph, would have been treated as distributed out of the policyholders surplus account. This paragraph shall not apply if, at the time such distribution was made, the taxpayer intended to avail itself of the provisions of this paragraph by having its shareholders return all or a part of such distribution. Nothing in this paragraph shall affect the tax treatment of the receipt of the distribution by any shareholder, and the basis to a shareholder of his stock in the taxpayer shall not be increased by reason of amounts returned under this paragraph to the extent that a dividends received deduction or exclusion was allowable in respect of the distribution of such amount under any provision of this title.”.

(b) The amendment made by this section shall apply with respect to taxable years ending after December 31, 1957.

Effective date. 26 USC 815 note.

**SEC. 2. EXCLUSION FROM INCOME UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.**

(a) IN GENERAL.—Section 1612(b) of the Social Security Act is amended—

42 USC 1382a.

(1) by striking out the word “and” which appears at the end of paragraph (9),

(2) by striking out the period at the end of paragraph (10) and by inserting in lieu thereof “; and”,

(3) by inserting the following new paragraph:

“(11) assistance received under the Disaster Relief Act of 1974 or other assistance provided pursuant to a Federal statute on account of a catastrophe which is declared to be a major disaster by the President.”.

42 USC 5121 note.

42 USC 1382a  
note.

(b) **EFFECTIVE DATE.**—The amendments made by this Act shall be applicable only in the case of catastrophes which occur on or after June 1, 1976 and before December 31, 1976.

**SEC. 3. WITHHOLDING; ESTIMATED TAX PAYMENTS.**

(a) **WITHHOLDING.**—

26 USC 3402.

(1) **IN GENERAL.**—Section 3402(a) of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by striking out “July 1, 1976” and inserting in lieu thereof “September 1, 1976”.

26 USC 3402  
note.

(2) **TECHNICAL AMENDMENT.**—Section 209(c) of the Tax Reduction Act of 1975 is amended by striking out “July 1, 1976” and inserting in lieu thereof “September 1, 1976”.

26 USC 6153.

(b) **ESTIMATED TAX PAYMENTS BY INDIVIDUALS.**—Section 6153(g) of such Code (relating to installment payments of estimated income by individuals) is amended by striking out “July 1, 1976” and inserting in lieu thereof “September 1, 1976”.

26 USC 6154.

(c) **ESTIMATED TAX PAYMENTS BY CORPORATIONS.**—Section 6154(h) of such Code (relating to installment payments of estimated income by corporations) is amended by striking out “July 1, 1976” and inserting in lieu thereof “September 1, 1976”.

**SEC. 4. AMENDMENT TO SUPPLEMENTAL SECURITY INCOME PROGRAM.**

Unearned  
income.

42 USC 1382a.

(a) **IN GENERAL.**—Section 1612(a)(2)(A) of the Social Security Act is amended—

(1) by striking out the word “and” which appears at the end of clause (i) thereof and by inserting a comma in lieu of such word, and

(2) by inserting immediately before the semicolon at the end thereof the following: “, and (iii) support and maintenance shall not be included and the provisions of clause (i) shall not be applicable in the case of any individual (and his eligible spouse, if any) for the period which begins with the month in which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in a residential facility (including a private household) maintained by another person and ends with the close of the month in which such individual (or such individual and his eligible spouse) ceases to receive support and maintenance while living in such a residential facility (or, if earlier, with the close of the fifth month following the month in which such period began), if, not more than 30 days prior to the date on which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in such a residential facility, (I) such individual (or such individual and his eligible spouse) were residing in a household maintained by such individual (or by such individual and others) as his or their own home, (II) there occurred within the area in which such household is located (and while such individual, or such individual and his spouse, were residing in the household referred to in subclause (I)) a catastrophe on account of which the President declared a major disaster to exist therein

for purposes of the Disaster Relief Act of 1974, and (III) such individual declares that he (or he and his eligible spouse) ceased to continue living in the household referred to in subclause (II) because of such catastrophe". 42 USC 5121 note.

(b) **EFFECTIVE DATE.**—The amendments made by this Act shall be applicable only in the case of catastrophes which occur on or after June 1, 1976 and before December 31, 1976. 26 USC 1382a note.

Approved June 30, 1976.

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**LEGISLATIVE HISTORY:**

HOUSE REPORT No. 94-1263 (Comm. on Ways and Means).  
CONGRESSIONAL RECORD, Vol. 122 (1976):

June 22, considered and passed House.  
June 28, considered and passed Senate, amended.  
June 29, House agreed to Senate amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 27:  
June 30, Presidential statement.