

EXEMPTION FROM INCOME TAX FOR SUPPLEMENTAL
UNEMPLOYMENT BENEFIT TRUSTS

JULY 1, 1960.—Ordered to be printed

Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 8229]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, and 9, and agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,

Managers on the Part of the House:

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR,
CLINTON P. ANDERSON;
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate:

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Under the bill as passed by the House, the term "supplemental unemployment compensation benefits" includes benefits which are paid to an employee because of his involuntary unemployment (whether or not temporary) resulting directly from a reduction in force, the discontinuance of a plant or operation, or other similar conditions. Under Senate amendment No. 1, the term includes benefits which are paid to an employee because of his involuntary separation from the employment of the employer (whether or not such separation is temporary). This amendment makes it clear that supplemental unemployment compensation benefits include benefits paid to an employee who has been temporarily separated from the service of his employer even though the employee may have obtained other employment during the period of his temporary separation. The House recedes.

Amendment No. 2: This is a clerical amendment. The House recedes.

Amendment No. 3: This is a clarifying amendment and provides in effect that exemption from income tax shall not be denied under section 501(a) of the 1954 Code to any organization entitled to such exemption as a voluntary employees' beneficiary association under section 501(c)(9) of the 1954 Code merely because such organization provides for the payment of supplemental unemployment benefits (as defined in the new sec. 501(c)(17)(D)(i) added by the bill). The House recedes.

Amendments Nos. 4, 5, 6, 7, and 9: These amendments change from September 4, 1959, to December 31, 1959, the dates on which the rules contained in the bill relating to prohibited transactions, the unrelated business income tax, and business bases are made applicable. The House recedes.

Amendment No. 8: Under the House bill, the amendments made by the bill were, in general, to apply to taxable years beginning after December 31, 1958. Under Senate amendment No. 8, the amendments are to apply to taxable years beginning after December 31, 1959. The House recedes.

Amendment No. 10: This amendment added a new section 7 to the bill which provided that for any taxable year beginning before July 1, 1961, exemption shall not be denied under section 501(a) of the 1954 Code, as an organization described in section 501(c)(3) of such code,

CONCERNING SUPPLEMENTAL UNEMPLOYMENT BENEFIT TRUSTS 3

to any nurses organization or association described in the new section solely on the ground that such organization or association limits its membership to individuals affiliated with a professional society, is principally supported by registration fees, or is controlled or operated by its registrant-members. The Senate recedes.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
N. M. MASON,
JOHN W. BYRNES,

Managers on the Part of the House.

