

HR 1262

To amend the Internal Revenue Code of 1986 to clarify the tax treatment of certain life insurance contract transactions, and for other purposes.

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Feb 28, 2017

Current Status: Referred to the House Committee on Ways and Means.

Latest Action: Referred to the House Committee on Ways and Means. (Feb 28, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/1262>

Sponsor

Name: Rep. Tiberi, Patrick J. [R-OH-12]

Party: Republican • **State:** OH • **Chamber:** House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Kind, Ron [D-WI-3]	D · WI		Feb 28, 2017

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Feb 28, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 S 1	Related bill	Nov 28, 2017: Placed on Senate Legislative Calendar under General Orders. Calendar No. 269.

This bill amends the Internal Revenue Code to modify the tax treatment of certain life insurance contract transactions.

The bill establishes reporting requirements for acquisitions of life insurance contracts in a reportable policy sale. Specified details must be reported regarding:

- the payments, contracts, and people involved in the acquisition;
- the seller's basis; and
- payments of death benefits.

A "reportable policy sale" is the acquisition of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured apart from the acquirer's interest in such life insurance contract.

The bill also: (1) specifies that no basis adjustment shall be made for mortality, expense, or other reasonable charges incurred under an annuity or life insurance contract; and (2) exempts the transfer of a life insurance contract, or any interest therein, in a reportable policy sale from the transfer for valuable consideration rule.

(Under current law, the transfer for valuable consideration rule provides that, if a life insurance contract or an interest in a contract is transferred for a valuable consideration, the tax exclusion for amounts received under a life insurance contract due to the death of the insured is limited to the sum of the actual value of the consideration and the premiums and other amounts subsequently paid by the transferee.)

Actions Timeline

- **Feb 28, 2017:** Introduced in House
- **Feb 28, 2017:** Referred to the House Committee on Ways and Means.