

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H. R. 10051 -- Extension of 1976 tax withholding rates and for other purposes. This bill extends to September 1, 1976, certain provisions of the Tax Reduction Act of 1975; to exempt life insurance companies from tax liability in the event of an inadvertent distribution and prompt return of funds from a "policy holders surplus account"; and to exempt Supplemental Security Income (SSI) beneficiaries who are victims of a major disaster occurring between June 1 and December 31, 1976 from a curtailment in SSI benefits when temporarily displaced from their homes and from the inclusion of disaster assistance as income in the determination of their SSI benefits.

The bill will continue until September 1, 1976, the individual income tax withholding rates and related individual and corporate estimated tax provisions which will otherwise expire on June 30, 1976. The bill will also make a minor amendment to Section 815 of the Tax Code to exempt life insurance companies from tax liability when amounts inadvertently distributed to a shareholder from a "policyholders surplus account" are promptly returned to the company and put back into such account.

SSI-related amendments--The bill contains two amendments aimed at alleviating hardships for victims of the Teton Dam disaster in Idaho who are beneficiaries under the Supplemental Security Income (SSI) program.

Under current law, SSI recipients have their benefits reduced by one-third if they reside in another person's household and receive support and maintenance from that person. The first amendment would allow SSI recipients to continue to receive their full benefits for up to six months if they are forced because of a major disaster (declared under the Disaster Relief Assistance Act) to leave their individually maintained residence and to receive support and maintenance while living in another person's residence.

Under current law, virtually any funds received by an SSI beneficiary are considered as income in determining the amount of the benefit paid by the Social Security Administration. The second amendment will exclude from income for SSI purposes assistance provided under the Disaster Relief Assistance Act or assistance provided pursuant to other Federal statutes in response to a major disaster.

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