

Certification to
Congress.

“(c) If a claim under this section is settled or compromised for more than \$100,000, the Secretary shall certify it to Congress.”

(b) Chapter 17 of title 14, United States Code, is amended by striking out the following item in the analysis:

“646. Claims for damages occasioned by vessels.”

and inserting the following item in place thereof:

“646. Admiralty claims against the United States.”

SEC. 3. Section 9 of the Act of March 9, 1920, chapter 9, as amended (41 Stat. 527, as amended; 46 U.S.C. 749) is amended by striking out the words “having control of the possession or operation of any merchant vessel.”

Approved August 29, 1972.

Public Law 92-418

AN ACT

August 29, 1972
[H. R. 11185]

To amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organizations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

“(19) A post or organization of war veterans, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization—

“(A) organized in the United States or any of its possessions,

“(B) at least 75 percent of the members of which are war veterans and substantially all of the other members of which are individuals who are veterans (but not war veterans), or are cadets, or are spouses, widows, or widowers of war veterans or such individuals, and

“(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual.”

(b) Section 512(a) of such Code (relating to definition of unrelated business taxable income) is amended by adding at the end thereof the following new paragraph:

“(4) SPECIAL RULE APPLICABLE TO ORGANIZATIONS DESCRIBED IN SECTION 501(C)(19).—In the case of an organization described in section 501(c)(19), the term ‘unrelated business taxable income’ does not include any amount attributable to payments for life, sick, accident, or health insurance with respect to members of such organizations or their dependents which is set aside for the purpose of providing for the payment of insurance benefits or for a purpose specified in section 170(c)(4). If an amount set aside under the preceding sentence is used during the taxable year for a purpose other than a purpose described in the preceding sentence, such amount shall be included, under paragraph (1), in unrelated business taxable income for the taxable year.”

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1969.

SEC. 2. (a) Section 165(h) of the Internal Revenue Code of 1954 (relating to disaster losses) is amended by—

(1) striking out the first sentence and inserting in lieu thereof

Veterans'
organizations.
Tax exempt
status.
68A Stat. 163;
83 Stat. 541.
26 USC 501.

83 Stat. 537.

Supra.

83 Stat. 549.

Effective date.

76 Stat. 51.

the following: "Notwithstanding the provisions of subsection (a), any loss attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Disaster Relief Act of 1970 may, at the election of the taxpayer, be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred."; and

84 Stat. 1744.
42 USC 4401
note.

(2) inserting before the period in the second sentence a comma and the following: "based on facts existing at the date the taxpayer claims the loss".

(b) Section 6405 of such Code (relating to reports of refunds and credits to the Joint Committee on Internal Revenue Taxation) is amended by adding at the end thereof the following new subsection:

68A Stat. 792.
26 USC 6405.

"(d) REFUNDS ATTRIBUTABLE TO CERTAIN DISASTER LOSSES.—If any refund or credit of income taxes is attributable to the taxpayer's election under section 165 (h) to deduct a disaster loss for the taxable year immediately preceding the taxable year in which the disaster occurred, the Secretary or his delegate is authorized in his discretion to make the refund or credit, to the extent attributable to such election, without regard to the provisions of subsection (a) of this section. If such refund or credit is made without regard to subsection (a), there shall thereafter be submitted to such Joint Committee a report containing the matter specified in subsection (a) as soon as the Secretary or his delegate shall determine the correct amount of the tax for the taxable year for which the refund or credit is made."

Ante, p. 656.

Report to congressional committee.

(c) The amendment made by subsection (a) shall apply to disasters occurring after December 31, 1971, in taxable years ending after such date. The amendment made by subsection (b) shall apply with respect to refunds or credits made after July 1, 1972.

Effective dates.

Approved August 29, 1972.

Public Law 92-419

AN ACT

To provide for improving the economy and living conditions in rural America.

August 30, 1972
[H. R. 12931]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Development Act of 1972".

Rural Development Act of 1972.

TITLE I—AMENDMENTS TO THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

SEC. 101. SHORT TITLE.—Section 301 (a) of the Consolidated Farmers Home Administration Act of 1961 is amended to read as follows:

75 Stat. 307.
7 USC 1921
note.

"(a) This title may be cited as the 'Consolidated Farm and Rural Development Act'."

SEC. 102. RURAL ENTERPRISE LOANS.—Section 304 of the Consolidated Farmers Home Administration Act of 1961 is amended by—

75 Stat. 308;
82 Stat. 770.
7 USC 1924.

(1) inserting "(a)" before the first sentence and striking out "(a)" and "(b)" in the first sentence; and