DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

November 2, 2023

Number: **2023-0013**
Release Date: 12/29/2023

CONEX-120246-23

UIL: 104.00-00

The Honorable Chris Van Hollen
United States Senator
111 Rockville Pike, Suite 960
Rockville, MD 20850

Attention:

Dear Senator Van Hollen:

I'm responding to your October 11, 2023, inquiry written on behalf of . You asked whether death benefits for public service employees killed in the line of duty are taxable.

You sent us correspondence from . In it, he asked how to determine if a death benefit payment to the spouse of was taxable under federal and state law. He explained this payment was made pursuant to a collective bargaining agreement with .

Although I cannot address questions regarding a specific taxpayer, I can provide you with the following general information regarding the federal taxation of death benefits paid to surviving dependents of a public safety officer who died as the result of an injury sustained in the line of duty. I cannot address questions related to taxation under state law.

Generally, under Section 104(a)(6) of the Internal Revenue Code, amounts received pursuant to a state program by surviving dependents of a public safety officer who died as the direct and proximate result of a personal injury sustained in the line of duty are not included in gross income.

The term “public safety officer” includes law enforcement officers, firefighters, chaplains, and rescue squad and ambulance crew members.[1]

A “state program” is a program established under the laws of any state which provides monetary compensation for surviving dependents of a public safety officer who died in the line of duty. However, Section 104(a)(6) does not apply to any amounts that would have been payable if the death of the public safety officer had occurred other than as the direct and proximate result of a personal injury sustained in the line of duty. In the case of a city, town, or county, a state program may be established if the city, town, or county established the program pursuant to state law or was otherwise authorized by the state.

If a state program was established and death benefits were paid pursuant to the state program, then the death benefits would not be included in gross income under Section 104(a)(6).

I hope this information is helpful. If you have questions, please contact me at
, or at .

Sincerely,

Rachel D. Levy
Associate Chief Counsel
(Employee Benefits, Exempt Organizations,
and Employment Taxes)

[1] See page 67 of Publication 17 available at https://www.irs.gov/pub/irs-pdf/p17.pdf.