

IRS Issues Wrongful Incarceration FAQs, Proskauer Lends Pro Bono Tax Advice

June 17, 2016

June 17, 2016 (NEW YORK) – Proskauer is pleased to have worked with the policy staff of longtime pro bono client The Innocence Project as well as After Innocence, two leading organizations for exonerated prisoners, in their efforts to encourage prompt U.S. Internal Revenue Service guidance on recently enacted statute I.R.C. Section 139F. The statute excludes from gross income, and thus effectively from federal income tax, a wide range of compensatory payments to “wrongfully incarcerated individuals.”

These efforts were rewarded on June 16th when (less than six months after the statute’s enactment) [the IRS posted FAQs to its website](#) and issued a related release on the application of the statute, including important details about how eligible persons can take advantage of a time-limited provision permitting eligible exonerees to claim certain refunds that might otherwise be barred under current law. Proskauer commends the efforts of the IRS Office of Chief Counsel in issuing this timely guidance.

Proskauer communicated with the IRS about questions exonerees might have about the application of the statute, helped answer IRS questions about fact patterns relating to exoneree compensation payments and attended in April the major annual conference of the exoneree community and their advocates in San Antonio, Texas for the purpose of exoneree education. The Proskauer team included tax partner Martin T. Hamilton and tax associate Martine Seiden who represented the Firm at the conference in San Antonio, along with longtime friend of The Innocence Project and Proskauer pro bono partner William C. Silverman. Assistance was also provided by summer associate Neel B. Sheth.

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