

**Revenue Information Bulletin No. 10-008**  
**July 6, 2010**  
**Individual Income Tax**

**Maintenance and Cure under the Jones Act**

Maintenance and cure payments received by a seaman injured while in the service of his ship are not included in wages for Louisiana income tax withholding, and are not considered taxable income for individual income tax purposes. With this ruling, the Louisiana Department of Revenue (LDR) is following the position of the Internal Revenue Service (IRS) set forth in Revenue Ruling 60-219.

**Background**

The U.S. Congress adopted the Merchant Marine Act in 1920 (formerly 46 U.S.C. § 688 and codified on October 6, 2006 as [46 U.S.C. § 30104](#)). The Act, also referred to as the Jones Act, formalized the right of injured seamen, disabled in the service of their ship, to recover “transportation and wages”, and “maintenance and cure”. “Transportation and wages” are paid until the voyage is complete or, if the seaman recovers before then, until the seaman is able to find suitable employment. “Maintenance and cure” are paid until the seaman has reached maximum medical cure.

**Maintenance and Cure**

Maintenance is the daily payment to a seaman for room and board, while convalescing ashore and which would otherwise be furnished aboard the vessel. The local maintenance rate is generally set at \$20 to \$30 per day. The payment of maintenance continues until maximum medical cure is reached, regardless of whether the seaman remains disabled and unable to return to work as a seaman. Maintenance is not, however, paid during any period that the seaman is hospitalized, because the seaman is being maintained at no cost to himself.

Cure is payment for medical and hospital care. These payments are made until the seaman reaches maximum medical cure, or until the seaman’s condition is stabilized.

**Internal Revenue Service Rulings**

The IRS was asked to consider the income tax status of “maintenance and cure”. In response, the IRS issued Revenue Ruling 60-219, which determined that “maintenance and cure” paid to a disabled seaman, including cash payments and cash subsistence payments while an out-patient, are not considered additional compensation, and are not taxable income.

For more information, contact the Customer Services Division at (225) 219-0102.

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Secretary