

106TH CONGRESS
2D SESSION

H. R. 4174

To amend the Internal Revenue Code of 1986 to exclude from gross income certain retention and reenlistment bonuses for members of the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2000

Mr. KUYKENDALL (for himself, Mr. BILBRAY, Mr. WELLER, Mr. HOUGHTON, and Mr. SAM JOHNSON of Texas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain retention and reenlistment bonuses for members of the Armed Forces.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION FROM GROSS INCOME FOR RETEN-**
4 **TION AND REENLISTMENT BONUSES FOR**
5 **MEMBERS OF THE ARMED FORCES.**

6 (a) IN GENERAL.—Section 112 of the Internal Rev-
7 enue Code of 1986 (relating to certain combat zone com-
8 pensation of members of the Armed Forces) is amended
9 by redesignating subsections (c) and (d) as subsections (d)

1 and (e), respectively, and by inserting after subsection (b)
 2 the following new subsection:

3 “(c) QUALIFIED RETENTION AND REENLISTMENT
 4 BONUS.—Gross income does not include a qualified reten-
 5 tion and reenlistment bonus.”.

6 (b) QUALIFIED RETENTION AND REENLISTMENT
 7 BONUS DEFINED.—Subsection (d) of section 112 of such
 8 Code (relating to definitions), as redesignated by sub-
 9 section (a), is amended by adding at the end the following
 10 new paragraph:

11 “(6) QUALIFIED RETENTION AND REENLIST-
 12 MENT BONUS.—The term ‘qualified retention and re-
 13 enlistment bonus’ means special or incentive pay
 14 under one of the following provisions of title 37,
 15 United States Code: 301b, 301d, 301e, 308, 308b,
 16 308h, 312, 314, 315, 317, 318, 319, 320, and
 17 321.”.

18 (c) CONFORMING AMENDMENT.—Section 2201 of
 19 such Code is amended by striking “section 112(c)” both
 20 places it appears and inserting “section 112(d)”.

21 (d) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2000.

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