

107TH CONGRESS  
1ST SESSION

# H. R. 1299

To amend the Internal Revenue Code of 1986 to allow a refundable credit to members of the Armed Forces who serve on active duty during a taxable year.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2001

Mr. CAPUANO (for himself, Mr. STUPAK, Mrs. THURMAN, Mr. KING, and Mr. BRADY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable credit to members of the Armed Forces who serve on active duty during a taxable year.

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. SHORT TITLE.**

4 This Act may be cited as the “Military Tax Credit  
5 Act of 2001”.

6 **SEC. 2. REFUNDABLE CREDIT FOR ACTIVE DUTY MEMBERS**  
7 **OF THE ARMED FORCES.**

8 (a) IN GENERAL.—Subpart C of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to refundable credits) is amended by redес-  
 2 ignating section 35 as section 36 and by inserting after  
 3 section 34 the following new section:

4 **“SEC. 35. ACTIVE DUTY MEMBERS OF THE ARMED FORCES.**

5       “(a) IN GENERAL.—In the case of an individual who  
 6 is an eligible member of the Armed Forces at any time  
 7 during the taxable year, there shall be allowed as a credit  
 8 against the tax imposed by this subtitle the amount deter-  
 9 mined under subsection (b).

10       “(b) AMOUNT OF CREDIT.—

11               “(1) IN GENERAL.—The amount of credit de-  
 12 termined under this subsection for a taxable year  
 13 is—

14                       “(A) except as otherwise provided in this  
 15 paragraph, \$2,800,

16                       “(B) \$4,000, in the case of a joint return,

17                       “(C) \$2,000 in the case of a taxpayer  
 18 who—

19                               “(i) is married as of the close of the  
 20 taxable year (within the meaning of section  
 21 7703) but does not file a joint return for  
 22 such year, and

23                               “(ii) does not live apart from his  
 24 spouse at all times during the taxable year.

1           “(2) PARTIAL YEARS.—In the case of an indi-  
2       vidual who is an eligible member of the Armed  
3       Forces for less than an entire taxable year, the  
4       amount of credit determined under this subsection is  
5       the amount which bears the same ratio to the  
6       amount determined under paragraph (1) as the  
7       number of days during the taxable year that the in-  
8       dividual is such an eligible member bears to 365.

9       “(c) DEFINITIONS.—For purposes of this section—

10           “(1) ELIGIBLE MEMBER OF THE ARMED  
11       FORCES.—The term ‘eligible member of the Armed  
12       Forces’ means, with respect to any day, any officer  
13       or enlisted member of the Armed Forces serving on  
14       active duty on such day.

15           “(2) ACTIVE DUTY.—The term ‘active duty’  
16       means active duty for a period of more than 30 days  
17       or full-time National Guard duty.

18           “(3) OTHER DEFINITIONS.—The terms ‘active  
19       duty for a period of more than 30 days’, ‘Armed  
20       Forces’, ‘enlisted member’, ‘full-time National Guard  
21       duty’, and ‘officer’ have the meanings given such  
22       terms in section 101 of title 10, United States  
23       Code.”

24       (b) CONFORMING AMENDMENTS.—

1           (1) Paragraph (2) of section 1324(b) of title  
2           31, United States Code, is amended by inserting be-  
3           fore the period “, or from section 35 of such Code”.

4           (2) The table of sections for subpart C of part  
5           IV of subchapter A of chapter 1 of such Code is  
6           amended by striking the last item and inserting the  
7           following new items:

                  “Sec. 35. Active duty members of the Armed Forces.

                  “Sec. 36. Overpayments of tax.”

8           (c) EFFECTIVE DATE.—The amendments made by  
9           this section shall apply to taxable years beginning after  
10          December 31, 2000.

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