

108TH CONGRESS
1ST SESSION

H. R. 1518

To amend the Internal Revenue Code of 1986 to exclude from gross income any enlistment, accession, reenlistment, or retention bonus paid to a member of the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2003

Mr. HOSTETTLER (for himself, Mr. BARTLETT of Maryland, Mr. MILLER of Florida, Mr. JONES of North Carolina, Mr. SCHROCK, Mr. GINGREY, Mr. TAYLOR of North Carolina, and Mr. BURGESS) 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 any enlistment, accession, reenlistment, or retention bonus paid to a member 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 OF ENLIST-**
4 **MENT 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-

1 pensionation of members of the Armed Forces) is amended
 2 by redesignating subsections (c) and (d) as subsections (d)
 3 and (e), respectively, and by inserting after subsection (b)
 4 the following new subsection:

5 “(c) QUALIFIED BONUS.—Gross income does not in-
 6 clude a qualified bonus.”.

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

11 “(6) QUALIFIED BONUS.—

12 “(A) IN GENERAL.—The term ‘qualified
 13 bonus’ means an enlistment, accession, reenlist-
 14 ment, retention, or other bonus paid by the Sec-
 15 retary concerned to a member of the Armed
 16 Forces of the United States in exchange for the
 17 agreement of the member to accept a commis-
 18 sion as an officer, extend an active service com-
 19 mitment as an officer, enlist, reenlist, or extend
 20 an enlistment as an enlisted member in an ac-
 21 tive or reserve component, or enter into a re-
 22 serve affiliation agreement.

23 “(B) OTHER DEFINITIONS.—For purposes
 24 of subparagraph (A), the terms ‘active service’,
 25 ‘enlisted member’, ‘officer’, and ‘Secretary con-

1 cerned’ have the meanings given to such terms
2 in section 101 of title 10, United States Code.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 2201 of such Code is amended by
5 striking “section 112(c)” both places it appears and
6 inserting “section 112(d)”.

7 (2) The heading for section 112 of such Code
8 is amended by inserting “**AND OTHER**” before
9 “**COMPENSATION**”.

10 (3) Section 3401(a)(1) of such Code is amended
11 by inserting “and other” before “compensation”.

12 (4) The table of sections for part III of sub-
13 chapter B of chapter 1 of such Code is amended by
14 striking the item relating to section 112 and insert-
15 ing the following new item:

“Sec. 112. Certain combat zone and other compensation of mem-
bers of the Armed Forces.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to taxable years beginning after
18 December 31, 2002.

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