

108TH CONGRESS
1ST SESSION

H. R. 662

To amend the Internal Revenue Code of 1986 to improve tax equity for military personnel, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2003

Mr. SKELTON 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 improve tax equity for military personnel, and for other purposes.

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 “Armed and Foreign
5 Services Tax Fairness Act of 2003”.

1 **SEC. 2. SPECIAL RULE FOR MEMBERS OF UNIFORMED**
2 **SERVICES AND FOREIGN SERVICE IN DETER-**
3 **MINING EXCLUSION OF GAIN FROM SALE OF**
4 **PRINCIPAL RESIDENCE.**

5 (a) IN GENERAL.—Subsection (d) of section 121 of
6 the Internal Revenue Code of 1986 (relating to exclusion
7 of gain from sale of principal residence) is amended by
8 adding at the end the following new paragraph:

9 **“(9) MEMBERS OF UNIFORMED SERVICES AND**
10 **FOREIGN SERVICE.—**

11 “(A) IN GENERAL.—At the election of an
12 individual with respect to a property, the run-
13 ning of the 5-year period described in sub-
14 section (a) with respect to such property shall
15 be suspended during any period that such indi-
16 vidual or such individual's spouse is serving on
17 qualified official extended duty as a member of
18 the uniformed services or of the Foreign Serv-
19 ice.

20 “(B) MAXIMUM PERIOD OF SUSPENSION.—
21 The 5-year period described in subsection (a)
22 shall not be extended more than 5 years by rea-
23 son of subparagraph (A).

24 “(C) QUALIFIED OFFICIAL EXTENDED
25 DUTY.—For purposes of this paragraph—

1 “(i) IN GENERAL.—The term ‘qualified
2 official extended duty’ means any ex-
3 tended duty while serving at a duty station
4 which is at least 50 miles from such prop-
5 erty or while residing under Government
6 orders in Government quarters.

7 “(ii) UNIFORMED SERVICES.—The
8 term ‘uniformed services’ has the meaning
9 given such term by section 101(a)(5) of
10 title 10, United States Code, as in effect
11 on the date of the enactment of this para-
12 graph.

13 “(iii) FOREIGN SERVICE OF THE
14 UNITED STATES.—The term ‘member of
15 the Foreign Service’ has the meaning given
16 the term ‘member of the Service’ by para-
17 graph (1), (2), (3), (4), or (5) of section
18 103 of the Foreign Service Act of 1980.

19 “(iv) EXTENDED DUTY.—The term
20 ‘extended duty’ means any period of duty
21 pursuant to a call or order to such duty for
22 a period in excess of 90 days or for an in-
23 definite period.

24 “(D) SPECIAL RULES RELATING TO ELEC-
25 TION.—

1 “(i) ELECTION LIMITED TO 1 PROP-
2 ERTY AT A TIME.—An election under sub-
3 paragraph (A) with respect to any property
4 may not be made if such an election is in
5 effect with respect to any other property.

6 “(ii) REVOCATION OF ELECTION.—An
7 election under subparagraph (A) may be
8 revoked at any time.”.

9 (b) EFFECTIVE DATE; SPECIAL RULE.—

10 (1) EFFECTIVE DATE.—The amendment made
11 by this section shall take effect as if included in the
12 amendments made by section 312 of the Taxpayer
13 Relief Act of 1997.

14 (2) WAIVER OF LIMITATIONS.—If refund or
15 credit of any overpayment of tax resulting from the
16 amendment made by this section is prevented at any
17 time before the close of the 1-year period beginning
18 on the date of the enactment of this Act by the oper-
19 ation of any law or rule of law (including res judi-
20 cata), such refund or credit may nevertheless be
21 made or allowed if claim therefor is filed before the
22 close of such period.

