

108TH CONGRESS
2D SESSION

S. 2824

To exclude from income certain wages of spouses of members of the Armed Forces serving in combat zones.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2004

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To exclude from income certain wages of spouses of members of the Armed Forces serving in combat zones.

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 FOR CERTAIN WAGES OF SPOUSES**
4 **OF MEMBERS OF ARMED FORCES SERVING IN**
5 **COMBAT ZONES.**

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) SPOUSES.—Gross income does not include quali-
 4 fying wages received by the spouse of a person described
 5 in subsection (a) or (b) for any month during any part
 6 of which such person—

7 “(1) served in a combat zone, or

8 “(2) was hospitalized as a result of wounds, dis-
 9 ease, or injury incurred while serving in a combat
 10 zone; but this paragraph shall not apply for any
 11 month beginning more than 2 years after the date
 12 of the termination of combatant activities in such
 13 zone.”.

14 (b) QUALIFYING WAGES.—Subsection (d) of section
 15 112 of the Internal Revenue Code of 1986 (relating to
 16 definitions), as redesignated by subsection (a), is amended
 17 by adding at the end the following new paragraph:

18 “(6) The term ‘qualifying wages’ means wages
 19 (as defined in section 3121(a)) and self-employment
 20 income (as defined in section 1402(b)).”.

21 (c) CONFORMING AMENDMENT.—Section 2201(b) of
 22 the Internal Revenue Code of 1986 is amended by striking
 23 “section 112(c)” and inserting “section 112(d)” each
 24 place it appears.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2003.

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