

108TH CONGRESS
1ST SESSION

S. 394

To amend the Internal Revenue Code of 1986 to expand the combat zone income tax exclusion to include income for the period of transit to the combat zone and to remove the limitation on such exclusion for commissioned officers.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2003

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

A BILL

To amend the Internal Revenue Code of 1986 to expand the combat zone income tax exclusion to include income for the period of transit to the combat zone and to remove the limitation on such exclusion for commissioned officers.

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. EXPANSION OF INCOME TAX EXCLUSION FOR
4 COMBAT ZONE SERVICE.**

5 (a) COMBAT ZONE SERVICE TO INCLUDE TRANSIT
6 TO ZONE.—Section 112(c)(3) of the Internal Revenue
7 Code of 1986 (relating to definitions) is amended by add-

1 ing at the end the following new sentence: “Such service
2 shall include any period of transit to the combat zone.”.

3 (b) REMOVAL OF LIMITATION ON EXCLUSION FOR
4 COMMISSIONED OFFICERS.—

5 (1) IN GENERAL.—Subsection (b) of section
6 112 of the Internal Revenue Code of 1986 (relating
7 to certain combat zone compensation of members of
8 the Armed Forces) is repealed.

9 (2) CONFORMING AMENDMENTS.—

10 (A) Section 112(a) of such Code is amend-
11 ed—

12 (i) by striking “below the grade of
13 commissioned officer”, and

14 (ii) by striking “ENLISTED PER-
15 SONNEL” in the heading and inserting “IN
16 GENERAL”.

17 (B) Section 112(c) of such Code is amend-
18 ed by striking paragraphs (1) and (5) and by
19 redesignating paragraphs (2), (3), and (4) as
20 paragraphs (1), (2), and (3), respectively.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to months beginning after the date
23 of the enactment of this Act.

