

109TH CONGRESS
2D SESSION

H. R. 5032

To amend the Internal Revenue Code of 1986 to expand the income tax forgiveness for members of the Armed Forces who die as a result of wounds, disease, or injury incurred while serving in a combat zone to include forgiveness for the last taxable year ending before the wounds, disease, or injury are incurred.

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 2006

Mr. NEY (for himself, Mr. McNULTY, and Mr. CROWLEY) 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 expand the income tax forgiveness for members of the Armed Forces who die as a result of wounds, disease, or injury incurred while serving in a combat zone to include forgiveness for the last taxable year ending before the wounds, disease, or injury are incurred.

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 “Fallen Heroes Tax
5 Fairness Act of 2006”.

1 **SEC. 2. EXPANSION OF INCOME TAX FORGIVENESS FOR**
2 **MEMBERS OF THE ARMED FORCES WHO DIE**
3 **AS A RESULT OF WOUNDS, DISEASE, OR IN-**
4 **JURY INCURRED WHILE SERVING IN A COM-**
5 **BAT ZONE.**

6 (a) IN GENERAL.—Paragraph (1) of section 692(a)
7 of the Internal Revenue Code of 1986 (relating to income
8 taxes of members of Armed Forces, astronauts, and vic-
9 tims of certain terrorist attacks on death) is amended to
10 read as follows:

11 “(1) any tax imposed by this subtitle shall not
12 apply with respect to—

13 “(A) the taxable year in which falls the
14 date of his death, and

15 “(B) any prior taxable year which—

16 “(i) ends on or after the first day he
17 so served in a combat zone, or

18 “(ii) ends before such first day and is
19 the last taxable year ending before the tax-
20 able year in which the wounds, disease, or
21 injury were incurred; and”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to the taxable years of individuals
24 whose death occurs on or after September 11, 2001.

25 (c) WAIVER OF LIMITATIONS.—If refund or credit of
26 any overpayment of tax resulting from the amendment

1 made by this section is prevented at any time before the
2 close of the 1-year period beginning on the date of the
3 enactment of this Act by the operation of any law or rule
4 of law (including res judicata), such refund or credit may
5 nevertheless be made or allowed if claim therefor is filed
6 before the close of such period.

