

110TH CONGRESS
1ST SESSION

H. R. 1404

To amend the Internal Revenue Code of 1986 to exclude from gross income a portion of the compensation received for active service and for inactive-duty training as a member of the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2007

Mr. CARNEY (for himself and Mr. PLATTS) 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 a portion of the compensation received for active service and for inactive-duty training as 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 OF CERTAIN COMPENSATION OF**

4 **MEMBERS OF THE ARMED FORCES.**

5 (a) IN GENERAL.—Section 112 of the Internal Rev-

6 enue Code of 1986 (relating to certain combat zone com-

7 pensation of members of the Armed Forces) is amended

8 by adding at the end the following new subsection:

1 “(e) PARTIAL EXCLUSION OF NON-COMBAT ZONE
2 COMPENSATION.—Gross income does not include 2 per-
3 cent of so much of the compensation received for active
4 service, and inactive-duty training, as a member of the
5 Armed Forces as would (but for this subsection) be includ-
6 ible in gross income.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) The heading for section 112 of such Code
9 is amended by striking “**COMBAT ZONE**”.

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

“See. 112. Certain compensation of members of the Armed Forces.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2006.

