

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.

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## 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

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## 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:

“Sec. 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.

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