

110TH CONGRESS
1ST SESSION

H. R. 3190

To amend the Internal Revenue Code of 1986 to allow individuals to designate that their income, estate, or gift tax payments be spent other than for purposes of supporting the war in Iraq and to provide that amounts so designated shall be used to provide funding for Head Start, to reduce the national debt, and to provide college funding for children of Iraq war veterans.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2007

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals to designate that their income, estate, or gift tax payments be spent other than for purposes of supporting the war in Iraq and to provide that amounts so designated shall be used to provide funding for Head Start, to reduce the national debt, and to provide college funding for children of Iraq war veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Opt Out of Iraq War
3 Act of 2007”.

4 **SEC. 2. TAX PAYMENTS TO FUTURE FUND.**

5 (a) IN GENERAL.—Subchapter A of chapter 61 of the
6 Internal Revenue Code of 1986 (relating to information
7 and returns) is amended by adding at the end the fol-
8 lowing new part:

9 **“PART IX—OPT OUT OF IRAQ WAR**

“Sec. 6097. Opt out of Iraq war.

10 **“SEC. 6097. OPT OUT OF IRAQ WAR.**

11 “(a) DESIGNATION OF TAX PAYMENTS TO FUTURE
12 FUND.—Every individual may designate that the following
13 amounts be paid into the Future Fund established by sec-
14 tion 9511.

15 “(1) INCOME TAX.—Such individual’s income
16 tax payment for a taxable year.

17 “(2) GIFT TAX.—Such individual’s payment of
18 the tax imposed by section 2501.

19 “(3) ESTATE TAX.—The payment of the im-
20 posed by section 2001 on the estate of such indi-
21 vidual.

22 “(b) LIMITATION.—

23 “(1) IN GENERAL.—The amount of any pay-
24 ment which may be designated under this section

1 shall not exceed the Iraq war funding percentage of
2 such payment.

3 “(2) IRAQ WAR FUNDING PERCENTAGE.—

4 “(A) IN GENERAL.—For purposes of this
5 subsection, the Iraq war funding percentage,
6 with respect to any payment made during a fis-
7 cal year, is the percentage (determined by the
8 Comptroller of the United States) of the Fed-
9 eral budget which was spent during the pre-
10 ceeding fiscal year on the war in Iraq.

11 “(B) CERTAIN SPENDING NOT TAKEN INTO
12 ACCOUNT.—For purposes of subparagraph (A),
13 the amount determined to be spent on the war
14 in Iraq during the preceding year shall be re-
15 duced by the amount which the Comptroller of
16 the United States estimates will be spent dur-
17 ing the fiscal year for which the percentage is
18 being determined—

19 “(i) to provide Iraq with humanitarian
20 and other non-military assistance, and

21 “(ii) to provide for the withdrawal of
22 United States infrastructure and personnel
23 from Iraq.

24 “(C) EXCLUSION OF CERTAIN TRUST
25 FUNDS FROM BUDGET.—For purposes of this

1 paragraph, none of the trust funds established
2 under the Social Security Act or this title shall
3 be treated as included in the Federal budget.

4 “(c) SPECIAL RULES RELATING TO INCOME TAX
5 PAYMENTS.—For purposes of this section—

6 “(1) INCOME TAX PAYMENT.—The term ‘in-
7 come tax payment’ means the amount of tax im-
8 posed by chapter 1 and paid by or withheld for any
9 taxable year to the extent not in excess of the tax-
10 payer’s income tax liability.

11 “(2) INCOME TAX LIABILITY.—The term ‘in-
12 come tax liability’ means the amount of the tax im-
13 posed by chapter 1 on a taxpayer for any taxable
14 year (as shown on such taxpayer’s tax return) re-
15 duced by the sum of—

16 “(A) the credits (as shown in such return)
17 allowable under part IV of subchapter A of
18 chapter 1 (other than subpart C thereof), and

19 “(B) the amount designated under section
20 6096.

21 “(3) JOINT RETURNS.—A designation may be
22 made on a joint return only if both spouses make
23 the designation.

24 “(d) DESIGNATION OF ESTATE TAX PAYMENTS.—
25 The designation under subsection (a)(3) may be made by

1 the executor of the estate under written authority of the
2 decedent.

3 “(e) MANNER AND TIME OF DESIGNATIONS.—A des-
4 ignation under subsection (a) may be made—

5 “(1) at the time of filing the return of the tax
6 to which the designation relates, or

7 “(2) at any other time (after the time of filing
8 such return) specified in regulations prescribed by
9 the Secretary.

10 Such designation shall be made in such manner as the
11 Secretary prescribes by regulations except that, if such
12 designation is made at the time described in paragraph
13 (1), such designation shall be made on the page bearing
14 the filer’s signature.

15 “(f) EXPLANATION OF FUTURE FUND PURPOSES.—
16 Each publication of general instructions accompanying an
17 income, estate, or gift tax return shall include—

18 “(1) an explanation of the purpose of the Fu-
19 ture Fund, and

20 “(2) an explanation of the process for making
21 the designations under this section.

22 “(g) TERMINATION.—This section shall not apply to
23 payments made during any period that fewer than 25,000
24 members of the Armed Forces of the United States are
25 serving in Iraq.”.

1 (b) CLERICAL AMENDMENT.—The table of parts for
2 such subchapter A is amended by adding at the end the
3 following new item:

“PART IX. OPT OUT OF IRAQ WAR.”.

4 **SEC. 3. FUTURE FUND.**

5 (a) CREATION OF TRUST FUND.—Subchapter A of
6 chapter 98 of the Internal Revenue Code of 1986 (relating
7 to trust fund code) is amended by adding at the end the
8 following new section:

9 **“SEC. 9511. FUTURE FUND.**

10 “(a) CREATION OF TRUST FUND.—There is estab-
11 lished in the Treasury of the United States a trust fund
12 to be known as the ‘Future Fund’, consisting of such
13 amounts as may be appropriated or credited into such
14 Fund as provided in this section and section 9602(b).

15 “(b) TRANSFERS TO FUTURE FUND OF AMOUNTS
16 EQUIVALENT TO CERTAIN TAXES.—There are hereby ap-
17 propriated to the Future Fund amounts equivalent to the
18 sum of the amounts designated under section 6097 for
19 payment into the Fund.

20 “(c) EXPENDITURES FROM FUTURE FUND.—
21 Amounts in the Future Fund shall be available as follows:

22 “(1) HEAD START.—One-third of such amounts
23 shall be available, as provided in appropriation Acts,
24 to carry out the Head Start Act (42 U.S.C. 9831).

1 “(2) REDUCTION OF NATIONAL DEBT.—One-
2 third of such amounts shall be available for reducing
3 the national debt in accordance with subsection (d).

4 “(3) CHILDREN OF IRAQ WAR VETERANS COL-
5 LEGE FUND.—One-third of such amounts shall be
6 transferred to the Children of Iraq War Veterans
7 College Fund in accordance with subsection (e).

8 “(d) REDUCTION OF NATIONAL DEBT.—The Sec-
9 retary of the Treasury shall, from time to time, transfer
10 to the special account established by section 3113(d) of
11 title 31, United States Code, the amounts described in
12 subsection (e)(2).

13 “(e) CHILDREN OF IRAQ WAR VETERANS COLLEGE
14 FUND.—

15 “(1) CREATION OF COLLEGE FUND.—There is
16 established in the Future Fund a separate account
17 to be known as the ‘Children of Iraq War Veterans
18 College Fund’, consisting of amounts transferred or
19 credited to the Children of Iraq War Veterans Col-
20 lege Fund as provided in this section and section
21 9602(b).

22 “(2) EXPENDITURES FROM COLLEGE FUND.—
23 Amounts in the Children of Iraq War Veterans Col-
24 lege Fund shall be available, as provided in appro-
25 priation Acts, to pay the qualified tuition and re-

1 lated expenses (as defined in section 117(b)(2)) of
2 any individual if either parent of such individual
3 served as a member of the Armed Forces of the
4 United States in Iraq during any portion of the pe-
5 riod that Iraq is designated as a combat zone for
6 purposes of section 112 and—

7 “(A) such portion is at least 180 days,

8 “(B) such parent died as a result of
9 wounds, disease, or injury incurred while so
10 serving, or

11 “(C) as a result of wounds, disease, or in-
12 jury incurred while so serving, such parent was
13 hospitalized and unable to return to duty in
14 such zone.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for such subchapter A is amended by adding at the end
17 the following new item:

“Sec. 9511. Future Fund.”.

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