

110TH CONGRESS  
1ST SESSION

# H. R. 3529

To amend the Internal Revenue Code of 1986 to make permanent law the treatment of tax-exempt combat pay as earned income for purposes of the earned income credit.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2007

Mrs. BOYDA of Kansas (for herself, Mr. BARROW, Mr. LAMPSON, Ms. SHEA-PORTER, and Mr. PATRICK J. MURPHY of Pennsylvania) 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 make permanent law the treatment of tax-exempt combat pay as earned income for purposes of the earned income credit.

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. PERMANENT EXTENSION OF SPECIAL RULE**  
4 **TREATING COMBAT PAY AS EARNED INCOME**  
5 **FOR EARNED INCOME CREDIT.**

6 (a) IN GENERAL.—Clause (vi) of section 32(c)(2)(B)  
7 of the Internal Revenue Code of 1986 (relating to earned  
8 income) is amended to read as follows:

1                   “(vi) a taxpayer may elect to treat  
2                   amounts excluded from gross income by  
3                   reason of section 112 as earned income.”.

4           (b) PROVISION NOT SUBJECT TO SUNSET.—Section  
5 105 of the Working Families Tax Relief Act of 2004 (re-  
6 lating to application of EGTRRA sunset to this title) shall  
7 not apply to section 104(b) of such Act.

8           (c) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to taxable years ending after De-  
10 cember 31, 2007.

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