

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.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2007

Mrs. BOYDA of Kansas (for herself, Mr. BARROW, Mr. LAMPSON, Ms. SHEAPORTER, and Mr. PATRICK J. MURPHY of Pennsylvania) 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 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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