

110TH CONGRESS
1ST SESSION

H. R. 4750

To amend the Internal Revenue Code of 1986 to exclude from gross income any enlistment, accession, reenlistment, retention, or incentive bonus paid to a member of the Armed Forces and to amend title 37, United States Code, to require the Secretary of Defense to continue to pay to a member of the Armed Forces who is retired or separated from the Armed Forces due to a combat-related injury certain bonuses that the member was entitled to before the retirement or separation and would continue to be entitled to if the member was not retired or separated.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2007

Mr. KING of New York introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Armed Services, 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 exclude from gross income any enlistment, accession, reenlistment, retention, or incentive bonus paid to a member of the Armed Forces and to amend title 37, United States Code, to require the Secretary of Defense to continue to pay to a member of the Armed Forces who is retired or separated from the Armed Forces due to a combat-related injury certain bonuses that the member was entitled to before the retirement or separation and

would continue to be entitled to if the member was not retired or separated.

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. SHORT TITLE.**

4 This Act may be cited as the “Tax Relief and Ful-
 5 filling Our Obligation to Patriotic Soldiers Act of 2007”.

6 **SEC. 2. EXCLUSION FROM GROSS INCOME OF ENLISTMENT**
 7 **AND REENLISTMENT BONUSES FOR MEM-**
 8 **BERS OF THE ARMED FORCES.**

9 (a) IN GENERAL.—Section 112 of the Internal Rev-
 10 enue Code of 1986 (relating to certain combat zone com-
 11 pensation of members of the Armed Forces) is amended
 12 by redesignating subsections (c) and (d) as subsections (d)
 13 and (e), respectively, and by inserting after subsection (b)
 14 the following new subsection:

15 “(c) QUALIFIED BONUS.—Gross income does not in-
 16 clude a qualified bonus.”.

17 (b) QUALIFIED BONUS DEFINED.—Subsection (d) of
 18 section 112 of such Code (relating to definitions), as re-
 19 designated by subsection (a), is amended by adding at the
 20 end the following new paragraph:

21 “(6) QUALIFIED BONUS.—

22 “(A) IN GENERAL.—The term ‘qualified
 23 bonus’ means an enlistment, accession, reenlist-
 24 ment, retention, incentive, or other bonus paid

by the Secretary concerned to a member of the Armed Forces of the United States in exchange for the agreement of the member to accept a commission as an officer, extend an active service commitment as an officer, enlist, reenlist, or extend an enlistment as an enlisted member in an active or reserve component, or enter into a reserve affiliation agreement.

“(B) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms ‘active service’, ‘enlisted member’, ‘officer’, and ‘Secretary concerned’ have the meanings given to such terms in section 101 of title 10, United States Code.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 2201 of such Code is amended by striking “section 112(c)” both places it appears and inserting “section 112(d)”.

(2) The heading for section 112 of such Code is amended by inserting “**AND OTHER**” before “**COMPENSATION**”.

(3) Section 3401(a)(1) of such Code is amended by inserting “and other” before “compensation”.

(4) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by

1 striking the item relating to section 112 and insert-
 2 ing the following new item:

“Sec. 112. Certain combat zone and other compensation of members of the
 Armed Forces.”.

3 (d) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2007.

6 **SEC. 3. CONTINUATION OF CERTAIN BONUS PAYMENTS TO**
 7 **MEMBERS OF THE ARMED FORCES RETIRED**
 8 **OR SEPARATED DUE TO A COMBAT-RELATED**
 9 **INJURY.**

10 (a) PAYMENT REQUIRED.—Chapter 17 of title 37,
 11 United States Code, is amended by inserting after section
 12 903 the following new section:

13 **“§ 904. Continued payment of bonuses to members re-**
 14 **tired or separated due to combat-related**
 15 **injuries**

16 “(a) PAYMENT REQUIRED.—In the case of a member
 17 of the armed forces who is retired or separated for dis-
 18 ability under chapter 61 of title 10, due to a combat-re-
 19 lated injury, the Secretary of Defense shall require the
 20 continued payment to the member of any bonus described
 21 in subsection (b) that the member—

22 “(1) was entitled to immediately before the re-
 23 tirement or separation of the member; and

1 “(2) would continue to be entitled to if the
2 member was not retired or separated.

3 “(b) COVERED BONUSES.—The bonuses referred to
4 in subsection (a) are the following (numbers refer to the
5 corresponding section in chapter 5 of this title):

6 “(1) 301b. Special pay for aviation career offi-
7 cers extending period of active duty.

8 “(2) 301d. Multiyear retention bonus for med-
9 ical officers of the armed forces.

10 “(3) 301e. Multiyear retention bonus for dental
11 officers of the armed forces.

12 “(4) 302d. Accession bonus for registered
13 nurses.

14 “(5) 302h. Accession bonus for dental officers.

15 “(6) 302j. Accession bonus for pharmacy offi-
16 cers.

17 “(7) 302k. Accession bonus for medical officers
18 in critically short wartime specialties.

19 “(8) 302l. Accession bonus for dental specialist
20 officers in critically short wartime specialties.

21 “(9) 308. Reenlistment bonus.

22 “(10) 308b. Reenlistment bonus for members of
23 the Selected Reserve.

24 “(11) 308c. Bonus for affiliation or enlistment
25 in the Selected Reserve.

1 “(12) 308g. Bonus for enlistment in elements
2 of the Ready Reserve other than the Selected Re-
3 serve.

4 “(13) 308h. Bonus for reenlistment, or vol-
5 untary extension of enlistment in elements of the
6 Ready Reserve other than the Selected Reserve.

7 “(14) 308i. Prior service enlistment bonus.

8 “(15) 308j. Affiliation bonus for officers in the
9 Selected Reserve.

10 “(16) 309. Enlistment bonus.

11 “(17) 312. Special pay for nuclear-qualified of-
12 ficers extending period of active duty.

13 “(18) 312b. Nuclear career accession bonus.

14 “(19) 312c. Nuclear career annual incentive
15 bonus.

16 “(20) 315. Engineering and scientific career
17 continuation pay.

18 “(21) 316. Bonus for members with foreign
19 language proficiency.

20 “(22) 317. Special pay for officers in critical
21 acquisition positions extending period of active duty.

22 “(23) 318. Special pay for special warfare offi-
23 cers extending period of active duty.

24 “(24) 319. Surface warfare officer continuation
25 pay.

1 “(25) 321. Judge advocate continuation pay.

2 “(26) 322. 15-year career status bonus for
3 members entering service on or after August 1,
4 1986.

5 “(27) 323. Retention incentives for members
6 qualified in critical military skills or assigned to high
7 priority units.

8 “(28) 324. Accession bonus for new officers in
9 critical skills.

10 “(29) 326. Incentive bonus for conversion to
11 military occupational specialty to ease personnel
12 shortage.

13 “(30) 327. Incentive bonus for transfer between
14 armed forces.

15 “(31) 329. Incentive bonus for retired members
16 and reserve component members volunteering for
17 high-demand, low-density assignments.

18 “(32) 330. Accession bonus for officer can-
19 didates.

20 “(c) TIME FOR PAYMENT.—A bonus required to be
21 paid to a member under this section shall be paid to the
22 member in a lump sum not later than 30 days after the
23 date of the retirement or separation of the member, not-
24 withstanding any terms to the contrary in the agreement
25 under which the bonus was originally authorized.

1 “(d) COMBAT-RELATED INJURY DEFINED.—In this
 2 section, the term ‘combat-related injury’ means an in-
 3 jury—

4 “(1) for which the member was awarded the
 5 Purple Heart; or

6 “(2) that was incurred (as determined under
 7 criteria prescribed by the Secretary of Defense)—

8 “(A) as a direct result of armed conflict;

9 “(B) while engaged in hazardous service;

10 “(C) in the performance of duty under
 11 conditions simulating war; or

12 “(D) through an instrumentality of war.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
 14 at the beginning of chapter 17 of such title is amended
 15 by inserting after the item relating to section 903 the fol-
 16 lowing new item:

“904. Continued payment of bonuses to members retired or separated due to
 combat-related injuries.”.

○