

**Union Calendar No. 225**

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 2778**

[Report No. 104-465]

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**A BILL**

To provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone.

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FEBRUARY 29, 1996

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 14, 1995

Mr. BUNNING of Kentucky introduced the following bill; which was referred to the Committee on Ways and Means

FEBRUARY 29, 1996

Additional sponsors: Mr. DELAY, Mr. BOEHNER, Ms. MOLINARI, Mr. CRANE, Mrs. JOHNSON of Connecticut, Mr. HOUGHTON, Mr. HERGER, Mr. McCREERY, Mr. HANCOCK, Mr. CAMP, Mr. SAM JOHNSON of Texas, Ms. DUNN of Washington, Mr. COLLINS of Georgia, Mr. PORTMAN, Mr. LAUGHLIN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. DORNAN, Mr. SPENCE, Mr. GILMAN, Mr. STUMP, Mr. GOODLING, Mr. BALLENGER, Mr. CUNNINGHAM, Mr. BURTON of Indiana, Mr. BUYER, Mr. SCHIFF, Mr. BAKER of California, Mr. STEARNS, Mr. BILIRAKIS, Mr. ROHRABACHER, Mr. LEWIS of Kentucky, Mr. WHITFIELD, Mr. HEFLEY, Mr. UPTON, Mr. HOSTETTLER, Mr. KING, Mr. METCALF, Mr. DUNCAN, Mr. BOUCHER, Mr. WOLF, Mr. TRAFICANT, Mrs. MEEK of Florida, Mr. ROGERS, Mr. EWING, Mrs. MEYERS of Kansas, Mr. GENE GREEN of Texas, Mr. SOUDER, Mrs. KELLY, Mr. HUTCHINSON, Mr. UNDERWOOD, Mr. KLECZKA, Mr. TATE, Mr. CALVERT, Mr. WATTS of Oklahoma, Mr. KOLBE, Mr. DOOLITTLE, Mr. HAYES, Mr. JACOBS, Mr. PETERSON of Florida, Mr. NEY, Mr. TAYLOR of North Carolina, Mr. LAHOOD, Mr. LEWIS of California, Mr. JOHNSON of South Dakota, Mr. HYDE, Mr. McHUGH, Mr. LIVINGSTON, Mr. COBURN, Mr. CANADY of Florida, Mr. FROST, Mr. RIGGS, Mr. GANSKE, Mr. ACKERMAN, Mr. JONES, Mr. HORN, Mr. WELLER, Mr. FOX of Pennsylvania, Mr. BAESLER, Mr. NORWOOD, Mr. MCCOLLUM, Mr. FUNDERBURK, Mr. FALEOMAVAEGA, Mr. BOEHLERT, Mr. MONTGOMERY, Mr. CONDIT, Mr. McNULTY, Mr.

CHABOT, Mr. CLEMENT, Mr. BURR, Mr. HAYWORTH, Mr. BUNN of Oregon, Mr. NETHERCUTT, Mr. WELDON of Florida, Ms. DELAURO, Mr. HASTINGS of Florida, Mr. STUPAK, Mr. MARTINI, Mr. BATEMAN, Mr. MCINTOSH, Mr. MCKEON, Mr. JEFFERSON, Mr. PETRI, Mr. WELDON of Pennsylvania, Mr. GALLEGLY, Mr. SMITH of Texas, Mr. SHAYS, Mr. GOSS, Mr. SKELTON, Mr. CHRYSLER, Mr. BAKER of Louisiana, Mr. INGLIS of South Carolina, Mr. CARDIN, Mr. PASTOR, Mr. MANZULLO, Mr. MCHALE, Mr. LEACH, Mr. WICKER, Mr. CHAMBLISS, Mr. SCARBOROUGH, Mr. THOMAS, and Mr. FRELINGHUYSEN

FEBRUARY 29, 1996

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on December 14, 1995]

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## A BILL

To provide that members of the Armed Forces performing services for the peacekeeping effort in the Republic of Bosnia and Herzegovina shall be entitled to certain tax benefits in the same manner as if such services were performed in a combat zone.

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. TREATMENT OF CERTAIN INDIVIDUALS PER-**  
 4                               **FORMING SERVICES IN CERTAIN HAZARDOUS**  
 5                               **DUTY AREAS.**

6       (a) *GENERAL RULE.*—*For purposes of the following*  
 7       *provisions of the Internal Revenue Code of 1986, a qualified*  
 8       *hazardous duty area shall be treated in the same manner*  
 9       *as if it were a combat zone (as determined under section*  
 10       *112 of such Code):*

1           (1) *Section 2(a)(3) (relating to special rule*  
2 *where deceased spouse was in missing status).*

3           (2) *Section 112 (relating to the exclusion of cer-*  
4 *tain combat pay of members of the Armed Forces).*

5           (3) *Section 692 (relating to income taxes of*  
6 *members of Armed Forces on death).*

7           (4) *Section 2201 (relating to members of the*  
8 *Armed Forces dying in combat zone or by reason of*  
9 *combat-zone-incurred wounds, etc.).*

10          (5) *Section 3401(a)(1) (defining wages relating*  
11 *to combat pay for members of the Armed Forces).*

12          (6) *Section 4253(d) (relating to the taxation of*  
13 *phone service originating from a combat zone from*  
14 *members of the Armed Forces).*

15          (7) *Section 6013(f)(1) (relating to joint return*  
16 *where individual is in missing status).*

17          (8) *Section 7508 (relating to time for performing*  
18 *certain acts postponed by reason of service in combat*  
19 *zone).*

20          (b) *QUALIFIED HAZARDOUS DUTY AREA.—For pur-*  
21 *poses of this section, the term “qualified hazardous duty*  
22 *area” means Bosnia and Herzegovina, Croatia, or Macedo-*  
23 *nia, if as of the date of the enactment of this section any*  
24 *member of the Armed Forces of the United States is entitled*  
25 *to special pay under section 310 of title 37, United States*

1 Code (relating to special pay; duty subject to hostile fire  
2 or imminent danger) for services performed in such coun-  
3 try. Such term includes any such country only during the  
4 period such entitlement is in effect. Solely for purposes of  
5 applying section 7508 of the Internal Revenue Code of 1986,  
6 in the case of an individual who is performing services as  
7 part of Operation Joint Endeavor outside the United States  
8 while deployed away from such individual's permanent  
9 duty station, the term "qualified hazardous duty area" in-  
10 cludes, during the period for which such entitlement is in  
11 effect, any area in which such services are performed.

12 (c) *EXCLUSION OF COMBAT PAY FROM WITHHOLDING*  
13 *LIMITED TO AMOUNT EXCLUDABLE FROM GROSS IN-*  
14 *COME.*—Paragraph (1) of section 3401(a) of the Internal  
15 Revenue Code of 1986 (defining wages) is amended by in-  
16 serting before the semicolon the following: "to the extent re-  
17 munerated for such service is excludable from gross income  
18 under such section".

19 (d) *INCREASE IN COMBAT PAY EXCLUSION FOR OFFI-*  
20 *CERS TO HIGHEST AMOUNT APPLICABLE TO ENLISTED*  
21 *PERSONNEL.*—

22 (1) *IN GENERAL.*—Subsection (b) of section 112  
23 of such Code (relating to commissioned officers) is  
24 amended by striking "\$500" and inserting "the maxi-  
25 mum enlisted amount".

1           (2) *MAXIMUM ENLISTED AMOUNT.*—Subsection  
2           (c) of section 112 of such Code (relating to defini-  
3           tions) is amended by adding at the end the following  
4           new paragraph:

5           “(5) The term ‘maximum enlisted amount’  
6           means, for any month, the sum of—

7           “(A) the highest rate of basic pay payable  
8           for such month to any enlisted member of the  
9           Armed Forces of the United States at the highest  
10          pay grade applicable to enlisted members, and

11          “(B) in the case of an officer entitled to spe-  
12          cial pay under section 310 of title 37, United  
13          States Code, for such month, the amount of such  
14          special pay payable to such officer for such  
15          month.”.

16          (e) *EFFECTIVE DATE.*—

17          (1) *IN GENERAL.*—Except as provided in para-  
18          graph (2), the provisions of and amendments made by  
19          this section shall take effect on November 21, 1995.

20          (2) *WITHHOLDING.*—Subsection (a)(5) and the  
21          amendment made by subsection (c) shall apply to re-  
22          muneration paid after the date of the enactment of  
23          this Act.

1 **SEC. 2. EXTENSION OF INTERNAL REVENUE SERVICE USER**  
2 **FEES.**

3 *Subsection (c) of section 10511 of the Revenue Act of*  
4 *1987 is amended by striking “October 1, 2000” and by in-*  
5 *serting “October 1, 2003”.*

6 Amend the title so as to read: “A bill to provide that  
7 members of the Armed Forces performing services for the  
8 peacekeeping efforts in Bosnia and Herzegovina, Croatia,  
9 and Macedonia shall be entitled to tax benefits in the same  
10 manner as if such services were performed in a combat  
11 zone, and for other purposes.”.