

106TH CONGRESS
1ST SESSION

H. R. 1376

AN ACT

To extend the tax benefits available with respect to services performed in a combat zone to services performed in the Federal Republic of Yugoslavia (Serbia/Montenegro) and certain other areas, and for other purposes.

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To extend the tax benefits available with respect to services performed in a combat zone to services performed in the Federal Republic of Yugoslavia (Serbia/Montenegro) and certain other areas, and for other purposes.

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. AVAILABILITY OF CERTAIN TAX BENEFITS FOR**
2 **SERVICES AS PART OF OPERATION ALLIED**
3 **FORCE.**

4 (a) **GENERAL RULE.**—For purposes of the following
5 provisions of the Internal Revenue Code of 1986, a quali-
6 fied hazardous duty area shall be treated in the same man-
7 ner as if it were a combat zone (as determined under sec-
8 tion 112 of such Code):

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

11 (2) Section 112 (relating to the exclusion of
12 certain combat pay of members of the Armed
13 Forces).

14 (3) Section 692 (relating to income taxes of
15 members of Armed Forces on death).

16 (4) Section 2201 (relating to members of the
17 Armed Forces dying in combat zone or by reason of
18 combat-zone-incurred wounds, etc.).

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

21 (6) Section 4253(d) (relating to the taxation of
22 phone service originating from a combat zone from
23 members of the Armed Forces).

24 (7) Section 6013(f)(1) (relating to joint return
25 where individual is in missing status).

1 (8) Section 7508 (relating to time for per-
2 forming certain acts postponed by reason of service
3 in combat zone).

4 (b) QUALIFIED HAZARDOUS DUTY AREA.—For pur-
5 poses of this section, the term “qualified hazardous duty
6 area” means any area of the Federal Republic of Yugo-
7 slavia (Serbia/Montenegro), Albania, the Adriatic Sea, and
8 the northern Ionian Sea (above the 39th parallel) during
9 the period (which includes the date of the enactment of
10 this Act) that any member of the Armed Forces of the
11 United States is entitled to special pay under section 310
12 of title 37, United States Code (relating to special pay:
13 duty subject to hostile fire or imminent danger) for serv-
14 ices performed in such area.

15 (c) SPECIAL RULE FOR SECTION 7508.—Solely for
16 purposes of applying section 7508 of the Internal Revenue
17 Code of 1986, in the case of an individual who is per-
18 forming services as part of Operation Allied Force outside
19 the United States while deployed away from such individ-
20 ual’s permanent duty station, the term “qualified haz-
21 ardous duty area” includes, during the period for which
22 the entitlement referred to in subsection (b) is in effect,
23 any area in which such services are performed.

24 (d) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), this section shall take effect on March 24,
3 1999.

4 (2) WITHHOLDING.—Subsection (a)(5) shall
5 apply to remuneration paid after the date of the en-
6 actment of this Act.

Passed the House of Representatives April 15, 1999.

Attest:

Clerk.