

1 1986 (relating to refundable credits) is amended by redese-
2 ignating section 35 as section 36 and by inserting after
3 section 34 the following new section:

4 **“SEC. 35. ACTIVE DUTY MEMBERS OF THE ARMED FORCES.**

5 “(a) IN GENERAL.—In the case of an individual who
6 is an eligible member of the Armed Forces at any time
7 during the taxable year, there shall be allowed as a credit
8 against the tax imposed by this subtitle the amount deter-
9 mined under subsection (b).

10 “(b) AMOUNT OF CREDIT.—

11 “(1) IN GENERAL.—The amount of credit de-
12 termined under this subsection for a taxable year
13 is—

14 “(A) except as otherwise provided in this
15 paragraph, \$2,800,

16 “(B) \$4,000, in the case of a joint return,

17 “(C) \$2,000 in the case of a taxpayer
18 who—

19 “(i) is married as of the close of the
20 taxable year (within the meaning of section
21 7703) but does not file a joint return for
22 such year, and

23 “(ii) does not live apart from his
24 spouse at all times during the taxable year.

1 “(2) PARTIAL YEARS.—In the case of an indi-
2 vidual who is an eligible member of the Armed
3 Forces for less than an entire taxable year, the
4 amount of credit determined under this subsection is
5 the amount which bears the same ratio to the
6 amount determined under paragraph (1) as the
7 number of days during the taxable year that the in-
8 dividual is such an eligible member bears to 365.

9 “(c) DEFINITIONS.—For purposes of this section—

10 “(1) ELIGIBLE MEMBER OF THE ARMED
11 FORCES.—The term ‘eligible member of the Armed
12 Forces’ means, with respect to any day, any officer
13 or enlisted member of the Armed Forces serving on
14 active duty on such day.

15 “(2) ACTIVE DUTY.—The term ‘active duty’
16 means active duty for a period of more than 30 days
17 or full-time National Guard duty.

18 “(3) OTHER DEFINITIONS.—The terms ‘active
19 duty for a period of more than 30 days’, ‘Armed
20 Forces’, ‘enlisted member’, ‘full-time National Guard
21 duty’, and ‘officer’ have the meanings given such
22 terms in section 101 of title 10, United States
23 Code.”

24 (b) CONFORMING AMENDMENTS.—

1 (1) Paragraph (2) of section 1324(b) of title
2 31, United States Code, is amended by inserting be-
3 fore the period “, or from section 35 of such Code”.

4 (2) The table of sections for subpart C of part
5 IV of subchapter A of chapter 1 of such Code is
6 amended by striking the last item and inserting the
7 following new items:

 “Sec. 35. Active duty members of the Armed Forces.

 “Sec. 36. Overpayments of tax.”

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2000.

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