

107TH CONGRESS
1ST SESSION

H. R. 1466

To amend the Internal Revenue Code of 1986 to exclude from gross income any enlistment, accession, reenlistment, or retention bonus paid to a member of the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2001

Mr. HOSTETTLER (for himself, Mr. RYUN of Kansas, Ms. MCKINNEY, Mr. SCHAFFER, Mr. BARTLETT of Maryland, Mr. PITTS, Mr. CHABOT, Mr. PENCE, Mr. SOUDER, Mr. JONES of North Carolina, Mr. GOODE, Mr. COX, Mr. DOOLITTLE, Mr. GREEN of Wisconsin, Mr. SMITH of Michigan, Mr. GIBBONS, Mr. CANTOR, Mr. SCHROCK, Mr. SMITH of New Jersey, Mr. ISTOOK, Mr. PAUL, Mr. SESSIONS, Mrs. JO ANN DAVIS of Virginia, Mrs. TAUSCHER, and Mr. ISSA) 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 exclude from gross income any enlistment, accession, reenlistment, or retention bonus paid to a member of the Armed Forces.

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 “Military Personnel Re-
5 cruitment and Retention Enhancement Act of 2001”.

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

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

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

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

16 “(6) QUALIFIED BONUS.—

17 “(A) IN GENERAL.—The term ‘qualified
18 bonus’ means an enlistment, accession, reenlist-
19 ment, retention, or other bonus paid by the Sec-
20 retary concerned to a member of the Armed
21 Forces of the United States in exchange for the
22 agreement of the member to accept a commis-
23 sion as an officer, extend an active service com-
24 mitment as an officer, enlist, reenlist, or extend
25 an enlistment as an enlisted member in an ac-

1 tive or reserve component, or enter into a re-
2 serve affiliation agreement.

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

8 (c) CONFORMING AMENDMENTS.—

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

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

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

17 (4) The table of sections for part III of sub-
18 chapter B of chapter 1 of such Code is amended by
19 striking the item relating to section 112 and insert-
20 ing the following new item:

 “Sec. 112. Certain combat zone and other compensation of mem-
 bers of the Armed Forces.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2000.

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