

107TH CONGRESS
1ST SESSION

H. R. 3412

To extend the tax benefits available with respect to services performed in a combat zone to services performed in the Republic of Korea.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2001

Mr. HOSTETTLER (for himself, Mr. BARTLETT of Maryland, Mr. CUNNINGHAM, Mr. TAYLOR of Mississippi, Mr. EVERETT, and Mr. CALVERT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the tax benefits available with respect to services performed in a combat zone to services performed in the Republic of Korea.

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. AVAILABILITY OF CERTAIN TAX BENEFITS FOR**
4 **SERVICES AS PART OF QUALIFIED HARDSHIP**
5 **DUTY.**

6 (a) GENERAL RULE.—For purposes of the following
7 provisions of the Internal Revenue Code of 1986, a quali-
8 fied hardship duty area shall be treated in the same man-

1 ner as if it were a combat zone (as determined under sec-
2 tion 112 of such Code):

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

5 (2) Section 112 (relating to the exclusion of
6 certain combat pay of members of the Armed
7 Forces).

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

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

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

15 (6) Section 4253(d) (relating to the taxation of
16 phone service originating from a combat zone from
17 members of the Armed Forces).

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

20 (8) Section 7508 (relating to time for per-
21 forming certain acts postponed by reason of service
22 in combat zone).

23 (b) QUALIFIED HARDSHIP DUTY AREA.—For pur-
24 poses of this section, the term “qualified hardship duty
25 area” means any area of Republic of Korea during the

1 period (which includes the date of the enactment of this
2 Act) that any member of the Armed Forces of the United
3 States is entitled to special pay under section 305 of title
4 37, United States Code (relating to special pay: hardship
5 duty pay) for services performed in such area and any
6 area of the Republic of Korea during the time period of
7 July 1, 2000 to December 31, 2000, notwithstanding the
8 fact that members of the Armed Forces serving in the Re-
9 public of Korea were not authorized special pay under sec-
10 tion 305 to title 37 until January 1, 2001.

11 (c) SPECIAL RULE FOR SECTION 7508.—Solely for
12 purposes of applying section 7508 of the Internal Revenue
13 Code of 1986, in the case of an individual who is per-
14 forming services in Korea while deployed away from such
15 individual’s permanent duty station, the term “qualified
16 hardship duty area” includes, during the period for which
17 the entitlement referred to in subsection (b) is in effect,
18 any area in which such services are performed.

19 (d) EFFECTIVE DATES.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), this section shall take effect on July 1,
22 2001.

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

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