

107TH CONGRESS
2D SESSION

S. 3007

To amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 2002

Mr. DAYTON (for himself and Mr. SESSIONS) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States, 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,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Servicemembers’ Tax Assistance for Noteworthy Duty
6 (STAND) Act”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
2 to, or repeal of, a section or other provision, the reference
3 shall be considered to be made to a section or other provi-
4 sion of the Internal Revenue Code of 1986.

5 **SEC. 2. EXCLUSION OF CERTAIN OVERSEAS PAY OF MEM-**
6 **BERS OF THE ARMED FORCES.**

7 (a) IN GENERAL.—Part III of subchapter B of chap-
8 ter 1 (relating to items specifically excluded from gross
9 income) is amended by inserting after section 112 the fol-
10 lowing new section:

11 **“SEC. 113. CERTAIN OVERSEAS PAY OF MEMBERS OF THE**
12 **ARMED FORCES.**

13 “(a) IN GENERAL.—Gross income does not include
14 compensation received for covered service as a member in
15 the Armed Forces of the United States.

16 “(b) COVERED SERVICE.—For purposes of this
17 section—

18 “(1) IN GENERAL.—The term ‘covered service’,
19 with respect to a member, means service outside the
20 United States in an assignment that is a permanent
21 change of station for which travel, transportation,
22 and housing of dependents at Government expense
23 would generally not be authorized under policies of
24 the Secretary concerned that are applicable to that
25 assignment, except in the case of service in such an

1 assignment for which such travel, transportation,
2 and housing is actually authorized as an exception to
3 the applicable policy.

4 “(2) SECRETARY CONCERNED.—The term ‘Sec-
5 retary concerned’ has the meaning given the term in
6 section 101(a)(9) of title 10, United States Code.”

7 (b) CONFORMING AMENDMENT.—Section 3401(a) is
8 amended by striking “or” at the end of paragraph (20),
9 by striking the period at the end of paragraph (21) and
10 inserting “; or”, and by adding at the end the following
11 new paragraph:

12 “(22) as compensation described in section
13 113.”

14 (c) CLERICAL AMENDMENT.—The table of sections
15 for part III of subchapter B of chapter 1 is amended by
16 inserting after the item relating to section 112 the fol-
17 lowing new item:

“Sec. 113. Certain overseas pay of members of the Armed
Forces.”

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to remuneration paid in taxable
20 years beginning after the date of the enactment of this
21 Act.

22 **SEC. 3. CUSTOMS USER FEES.**

23 Section 13031(j)(3) of the Consolidated Omnibus
24 Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3))

1 is amended by striking “September 30, 2003” and insert-
2 ing “October 31, 2008”.

○