

108TH CONGRESS  
2D SESSION

# S. 2419

To amend the Internal Revenue Code of 1986 to provide additional relief  
for members of the Armed Forces and their families.

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## IN THE SENATE OF THE UNITED STATES

MAY 13, 2004

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

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## A BILL

To amend the Internal Revenue Code of 1986 to provide  
additional relief for members of the Armed Forces and  
their families.

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 “Tax Relief for Ameri-  
5       cans in Combat Act”.

6       **SEC. 2. EARNED INCOME INCLUDES COMBAT PAY.**

7       (a) CHILD TAX CREDIT.—Section 24(d)(1) of the In-  
8       ternal Revenue Code of 1986 (relating to portion of credit  
9       refundable) is amended by adding at the end the following  
10      new sentence: “For purposes of subparagraph (B), any

1 amount excluded from gross income by reason of section  
 2 112 shall be treated as earned income which is taken into  
 3 account in computing taxable income for the taxable  
 4 year.”.

5 (b) EARNED INCOME TAX CREDIT.—Subparagraph  
 6 (B) of section 32(c)(2) of the Internal Revenue Code of  
 7 1986 (relating to earned income) is amended—

8 (1) by striking “and” at the end of clause (iv),

9 (2) by striking the period at the end of clause

10 (v) and inserting “, and”, and

11 (3) by adding at the end the following:

12 “(vi) any amount excluded from gross  
 13 income by reason of section 112 shall be  
 14 treated as earned income.

15 Any taxpayer may elect to not apply clause (vi)  
 16 with respect to any taxable year ending after  
 17 the date of the enactment of such clause and  
 18 before 2005.”.

19 (c) EFFECTIVE DATE.—The amendments made by  
 20 this section shall apply to taxable years ending after the  
 21 date of the enactment of this Act.

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