

109TH CONGRESS
2^D SESSION

H. R. 5920

To amend the Internal Revenue Code of 1986 to exclude from gross income certain combat zone compensation of civilian employees of the United States.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2006

Mr. WOLF (for himself, Mr. SCHWARZ of Michigan, Mr. TOM DAVIS of Virginia, Mr. MORAN of Virginia, Mr. VAN HOLLEN, Mr. HOYER, Mr. LINCOLN DIAZ-BALART of Florida, Mr. JONES of North Carolina, Ms. NORTON, Mr. MCCOTTER, and Mr. SIMMONS) 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 certain combat zone compensation of civilian employees of the United States.

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 “Federal Employee
5 Combat Zone Tax Parity Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR CERTAIN**
2 **COMBAT ZONE COMPENSATION OF CIVILIAN**
3 **EMPLOYEES OF THE UNITED STATES.**

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) CIVILIAN EMPLOYEES.—

11 “(1) IN GENERAL.—Gross income does not in-
12 clude so much of the compensation as does not ex-
13 ceed the maximum amount specified in subsection
14 (b) for active service as an employee of the United
15 States for any month during any part of which such
16 employee—

17 “(A) served in a combat zone, or

18 “(B) was hospitalized as a result of
19 wounds, disease, or injury incurred while serv-
20 ing in a combat zone; but this paragraph shall
21 not apply for any month beginning more than
22 2 years after the date of the termination of
23 combatant activities in such zone.

24 “(2) DEFINITIONS.—For purposes of this sub-
25 section—

1 “(A) EMPLOYEE.—The term ‘employee’
2 has the meaning given such term by section
3 2105 of title 5, United States Code.

4 “(B) ACTIVE SERVICE.—The term ‘active
5 service’ means active Federal service by an em-
6 ployee.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 2201(b) of such Code is amended
9 by striking “112(c)” both places it appears and in-
10 serting “112(d)”.

11 (2) The heading for section 112 of such Code
12 is amended to read as follows:

13 “**SEC. 112. CERTAIN COMBAT ZONE COMPENSATION OF**
14 **MEMBERS OF THE ARMED FORCES AND CI-**
15 **VILIAN EMPLOYEES OF THE UNITED**
16 **STATES.”.**

17 (3) The item relating to section 112 in the table
18 of sections for part III of subchapter B of chapter
19 1 of such Code is amended to read as follows:

 “Sec. 112. Certain combat zone compensation of members of the Armed Forces
 and civilian employees of the United States.”.

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

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