

110TH CONGRESS
1ST SESSION

H. R. 1974

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

APRIL 19, 2007

Mr. WOLF (for himself, Mr. FORTENBERRY, Mr. MORAN of Virginia, Mr. MCGOVERN, Mr. UPTON, Mr. HAYES, Ms. JACKSON-LEE of Texas, Mr. LINCOLN DIAZ-BALART of Florida, Mr. AKIN, Mr. BURTON of Indiana, Mr. ROGERS of Michigan, Mrs. MYRICK, Mr. GARRETT of New Jersey, Mrs. JO ANN DAVIS of Virginia, Mr. TOM DAVIS of Virginia, Ms. NOR-
TON, Mr. VAN HOLLEN, and Mr. HOYER) 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 OF THE UNITED STATES
11 GOVERNMENT.—

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

18 “(A) served in a combat zone, or

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

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

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

6 “(i) an individual in the commissioned
7 corps of the Public Health Service or the
8 commissioned corps of the National Ocea-
9 nic and Atmospheric Administration, and

10 “(ii) an individual not otherwise de-
11 scribed in the preceding provisions of this
12 subparagraph who is treated as an em-
13 ployee of the United States or an agency
14 thereof for purposes of section 911(b).

15 “(B) ACTIVE SERVICE.—The term ‘active
16 service’ means active Federal service by an em-
17 ployee of the United States.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 2201(b) of such Code is amended
20 by striking “112(c)” both places it appears and in-
21 sserting “112(d)”.

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

1 **“SEC. 112. CERTAIN COMBAT ZONE COMPENSATION OF**
2 **MEMBERS OF THE ARMED FORCES AND CI-**
3 **VILIAN EMPLOYEES OF THE UNITED**
4 **STATES.”.**

5 (3) The item relating to section 112 in the table
6 of sections for part III of subchapter B of chapter
7 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.”.

8 (c) **EFFECTIVE DATE.**—The amendments made by
9 this section shall apply to taxable years beginning after
10 the date of the enactment of this Act.

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