

110TH CONGRESS
1ST SESSION

H. R. 333

To amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability rated less than 50 percent to receive concurrent payment of both retired pay and veterans' disability compensation, to eliminate the phase-in period for concurrent receipt, to extend eligibility for concurrent receipt and combat-related special compensation to chapter 61 disability retirees with less than 20 years of service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2007

Mr. MARSHALL introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability rated less than 50 percent to receive concurrent payment of both retired pay and veterans' disability compensation, to eliminate the phase-in period for concurrent receipt, to extend eligibility for concurrent receipt and combat-related special compensation to chapter 61 disability retirees with less than 20 years of service, 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.**

4 This Act may be cited as the “Disabled Veterans Tax
5 Termination Act”.

6 **SEC. 2. CONCURRENT RECEIPT OF BOTH RETIRED PAY AND**
7 **VETERANS’ DISABILITY COMPENSATION FOR**
8 **MILITARY RETIREES WITH COMPENSABLE**
9 **SERVICE-CONNECTED DISABILITIES.**

10 (a) INCLUSION OF RETIREES WITH SERVICE-CON-
11 NECTED DISABILITIES RATED LESS THAN 50 PER-
12 CENT.—Subsection (a) of section 1414 of title 10, United
13 States Code, is amended—

14 (1) by striking “COMPENSATION” in the sub-
15 section heading and all that follows through “Sub-
16 ject” and inserting “COMPENSATION.—Subject”;

17 (2) by striking “qualifying service-connected
18 disability” and inserting “service-connected dis-
19 ability”; and

20 (3) by striking paragraph (2).

21 (b) REPEAL OF PHASE-IN OF CONCURRENT RECEIPT
22 OF RETIRED PAY AND VETERANS’ DISABILITY COM-
23 PENSATION.—Such section is further amended—

24 (1) in subsection (a), as amended by subsection

25 (a) of this section, by striking the final sentence;

1 (2) by striking subsection (c) and redesignating
2 subsections (d) and (e) as subsections (c) and (d),
3 respectively; and

4 (3) in subsection (d), as so redesignated, by
5 striking paragraphs (3) and (4).

6 (c) INCLUSION OF DISABILITY RETIREES WITH LESS
7 THAN 20 YEARS OF SERVICE.—Subsection (b) of such
8 section is amended—

9 (1) in paragraph (1), by striking “member re-
10 tired” and inserting “qualified retiree who is re-
11 tired”; and

12 (2) by striking paragraph (2) and inserting the
13 following new paragraph:

14 “(2) DISABILITY RETIREES WITH LESS THAN 20
15 YEARS OF SERVICE.—The retired pay of a qualified
16 retiree who is retired under chapter 61 of this title
17 with fewer than 20 years of creditable service is sub-
18 ject to reduction under sections 5304 and 5305 of
19 title 38, but only by the amount (if any) by which
20 the amount of the member’s retired pay under such
21 chapter exceeds the amount equal to 2½ percent of
22 the member’s years of creditable service multiplied
23 by the member’s retired pay base under section
24 1406(b)(1) or 1407 of this title, whichever is appli-
25 cable to the member.”.

1 (d) CLERICAL AMENDMENTS.—

2 (1) SECTION HEADING.—The heading for such
3 section is amended to read as follows:

4 **“§ 1414. Members eligible for retired pay who are also**
5 **eligible for veterans’ disability compensa-**
6 **tion: concurrent payment of retired pay**
7 **and disability compensation”.**

8 (2) TABLE OF SECTIONS.—The item relating to
9 such section in the table of sections at the beginning
10 of chapter 71 of such title is amended to read as fol-
11 lows:

“1414. Members eligible for retired pay who are also eligible for veterans’ dis-
ability compensation: concurrent payment of retired pay and
disability compensation.”.

12 (e) CONFORMING AMENDMENT.—Section 1413a(f) of
13 such title is amended by striking “Subsection (d)” and
14 inserting “Subsection (c)”.

15 (f) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on the first day of the first
17 month beginning after the date of the enactment of this
18 Act and shall apply to payments for months beginning on
19 or after that date.

1 **SEC. 3. AVAILABILITY OF COMBAT-RELATED SPECIAL COM-**
2 **PENSATION ELIGIBILITY FOR CHAPTER 61**
3 **MILITARY RETIREES WITH LESS THAN 20**
4 **YEARS OF SERVICE.**

5 (a) **ELIGIBILITY.**—Subsection (c) of section 1413a of
6 title 10, United States Code, is amended by striking “enti-
7 tled to retired pay who__” and all that follows through
8 the end of paragraph (1) and inserting “who__

9 “(1) is entitled to retired pay (other than by
10 reason of section 12731b of this title); and”.

11 (b) **COMPUTATION.**—Paragraph (3) of subsection (b)
12 of such section is amended—

13 (1) by striking “In the case of” and inserting
14 the following:

15 “(A) **IN GENERAL.**—In the case of”; and

16 (2) by adding at the end the following new sub-
17 paragraph:

18 “(B) **RETIREES WITH FEWER THAN 20**
19 **YEARS OF SERVICE.**—In the case of an eligible
20 combat-related disabled uniformed services re-
21 tiree who is retired under chapter 61 of this
22 title with fewer than 20 years of creditable serv-
23 ice, the amount of the payment under para-
24 graph (1) for any month shall be reduced by
25 the amount (if any) by which the amount of the
26 member’s retired pay under chapter 61 of this

1 title exceeds the amount equal to 2½ percent of
2 the member's years of creditable service multi-
3 plied by the member's retired pay base under
4 section 1406(b)(1) or 1407 of this title, which-
5 ever is applicable to the member.".

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on the first day of the first
8 month beginning after the date of the enactment of this
9 Act and shall apply to payments for months beginning on
10 or after that date.

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