

110TH CONGRESS  
1ST SESSION

# H. R. 3808

To amend the Internal Revenue Code of 1986 to permanently extend the special rule treating combat pay as earned income for purposes of the earned income credit and to increase the standard deduction for individuals performing service in the uniformed services while on active duty for a period of more than 30 days.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2007

Ms. GIFFORDS (for herself, Mr. JOHNSON of Georgia, Mr. MURPHY of Connecticut, Mr. MEEK of Florida, Mr. BRADY of Pennsylvania, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. MCCAUL of Texas, Mr. MITCHELL, and Mr. HARE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to permanently extend the special rule treating combat pay as earned income for purposes of the earned income credit and to increase the standard deduction for individuals performing service in the uniformed services while on active duty for a period of more than 30 days.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Combat Troops Tax  
3 Relief Act of 2007”.

4 **SEC. 2. PERMANENT EXTENSION OF SPECIAL RULE TREAT-**  
5 **ING COMBAT PAY AS EARNED INCOME FOR**  
6 **EARNED INCOME CREDIT.**

7 (a) IN GENERAL.—Clause (vi) of section 32(c)(2)(B)  
8 of the Internal Revenue Code of 1986 (relating to earned  
9 income) is amended to read as follows:

10 “(vi) a taxpayer may elect to treat  
11 amounts excluded from gross income by  
12 reason of section 112 as earned income.”.

13 (b) PROVISION NOT SUBJECT TO SUNSET.—Section  
14 105 of the Working Families Tax Relief Act of 2004 (re-  
15 lating to application of EGTRRA sunset to this title) shall  
16 not apply to section 104(b) of such Act.

17 (c) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to taxable years ending after De-  
19 cember 31, 2007.

20 **SEC. 3. TEMPORARY INCREASE IN STANDARD DEDUCTION**  
21 **FOR ACTIVE DUTY MILITARY PERSONNEL.**

22 (a) IN GENERAL.—Paragraph (3) of section 63(c) of  
23 the Internal Revenue Code of 1986 (defining additional  
24 standard deduction for the aged and blind) is amended  
25 to read as follows:

1           “(3) ADDITIONAL STANDARD DEDUCTION.—For  
2           the purposes of paragraph (1), the additional stand-  
3           ard deduction is the sum of—

4                   “(A) the sum of each additional amount to  
5                   which the taxpayer is entitled under subsection  
6                   (f), plus

7                   “(B) in the case of a taxable year begin-  
8                   ning in 2007 or 2008, an additional amount of  
9                   \$1,000 for an individual for such taxable year  
10                  if the individual who at any time during such  
11                  taxable year is performing service in the uni-  
12                  formed services while on active duty for a pe-  
13                  riod of more than 30 days.”.

14           (b) CONFORMING AMENDMENTS.—

15                  (1) Section 3402(m)(3) of the Internal Revenue  
16                  Code of 1986 is amended by striking “for the aged  
17                  and blind”.

18                  (2) Section 6012(a)(1)(B) of such Code is  
19                  amended by adding at the end the following new  
20                  sentence: “The preceding sentence shall be applied  
21                  without regard to section 63(c)(3)(B) and each of  
22                  the amounts specified in subparagraph (A) shall be  
23                  increased by the portion of any additional standard  
24                  deduction to which the individual is entitled by rea-  
25                  son of section 63(c)(3)(B).”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2006.

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