

110TH CONGRESS  
1ST SESSION

# H. R. 3948

To amend the Internal Revenue Code of 1986 to establish a temporary surtax to offset the current costs of the Iraq war.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2007

Mr. OBEY (for himself, Mr. MURTHA, Mr. MCGOVERN, Ms. MCCOLLUM of Minnesota, Ms. BALDWIN, Mr. STARK, Mr. BRADY of Pennsylvania, Mr. MORAN of Virginia, and Mr. ELLISON) 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 establish a temporary surtax to offset the current costs of the Iraq war.

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 “Share the Sacrifice  
5 Act of 2007”.

6 **SEC. 2. ESTABLISHMENT OF TEMPORARY IRAQ WAR SUR-**

7 **TAX.**

8 (a) IN GENERAL.—Subchapter A of chapter 1 of the  
9 Internal Revenue Code of 1986 (relating to normal taxes

1 and surtaxes) is amended by adding at the end the fol-  
 2 lowing new part:

3 **“PART VIII—TEMPORARY IRAQ WAR SURTAX**

“Sec. 59B. Temporary Iraq war surtax.

4 **“SEC. 59B. TEMPORARY IRAQ WAR SURTAX.**

5 “(a) IN GENERAL.—In the case of any taxable year  
 6 beginning in 2008—

7 “(1) JOINT RETURNS.—In the case of a joint  
 8 return with net income tax liability, the tax imposed  
 9 under this chapter shall be increased by the amount  
 10 of the surtax determined in accordance with the fol-  
 11 lowing table:

<b>“If net income tax liability is:</b>	<b>The surtax is:</b>
Not over \$10,600 .....	2.5% of net income tax liability
Over \$10,600 but not over \$22,600.	\$265, plus 5% of the excess over \$10,600
Over \$22,600 but not over \$36,400.	\$865, plus 11% of the excess over \$22,600
Over \$36,400 .....	\$2,383, plus 16% of the excess over \$36,400

12 “(2) OTHER INDIVIDUALS, TRUSTS, AND ES-  
 13 TATES.—In the case of any individual, trust, or es-  
 14 tate with net income tax liability (other than a joint  
 15 return), the tax imposed under this chapter shall be  
 16 increased by the amount of the surtax determined in  
 17 accordance with the following table:

<b>“If net income tax liability is:</b>	<b>The surtax is:</b>
Not over \$5,300 .....	2.5% of net income tax liability
Over \$5,300 but not over \$11,300	\$132.50, plus 5% of the excess over \$5,300
Over \$11,300 but not over \$18,200.	\$432.50, plus 11% of the excess over \$11,300

**“If net income tax liability is: The surtax is:**

Over \$18,200 .....	\$1,191.50, plus 16% of the excess over \$18,200
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1           “(3) CORPORATIONS.—In the case of any cor-  
2           poration with net income tax liability, the tax im-  
3           posed under this chapter shall be increased by an  
4           amount equal to such net income tax liability multi-  
5           plied by 16 percent.

6           “(b) CERTAIN EXCEPTIONS FOR INDIVIDUALS.—

7           “(1) CERTAIN EXCEPTIONS RELATED TO MILI-  
8           TARY SERVICE.—

9           “(A) IN GENERAL.—Subsection (a) shall  
10          not apply to—

11           “(i) any member of the Armed Forces  
12           of the United States who received com-  
13           pensation which was excludible from gross  
14           income under section 112 (relating to cer-  
15           tain combat zone compensation of mem-  
16           bers of the Armed Forces) during the tax-  
17           able year involved or any taxable year end-  
18           ing on or after September 11, 2001, or

19           “(ii) any individual who received a  
20           death gratuity payable under chapter 75 of  
21           title 10, United States Code, with respect  
22           to any decedent who—

23                   “(I) is described in clause (i),  
24                   and

1                   “(II) died on or after September  
2                   11, 2001, and before the close of the  
3                   taxable year involved.

4                   “(B) JOINT RETURNS.—In the case of a  
5                   joint return, the taxpayer shall be treated as  
6                   described in clause (i) or (ii) of subparagraph  
7                   (A) if either spouse is so described.

8                   “(2) EXCEPTION BASED ON ADJUSTED GROSS  
9                   INCOME.—Subsection (a) shall not apply to any indi-  
10                  vidual if the adjusted gross income of the taxpayer  
11                  is not in excess of \$30,000.

12                  “(c) NET INCOME TAX LIABILITY DEFINED.—For  
13                  purposes of this section, the term ‘net income tax liability’  
14                  means the excess of—

15                         “(1) the sum of the regular tax liability (as de-  
16                         fined in section 26(b)) and the tax imposed by sec-  
17                         tion 55, over

18                         “(2) the credits allowed under part IV (other  
19                         than sections 31, 33, and 34).

20                  “(d) NOT TREATED AS TAX IMPOSED BY THIS  
21                  CHAPTER FOR CERTAIN PURPOSES.—The tax imposed  
22                  under this part shall not be treated as tax imposed by  
23                  this chapter for purposes of determining the amount of  
24                  any credit under this chapter or for purposes of section  
25                  55.”.

1           (b) CLERICAL AMENDMENT.—The table of parts for  
2 subchapter A of chapter 1 of such Code is amended by  
3 adding at the end the following new item:

“PART VIII. TEMPORARY IRAQ WAR SURTAX.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2007.

7           (d) SECTION 15 NOT TO APPLY.—The amendment  
8 made by subsection (a) shall not be treated as a change  
9 in a rate of tax for purposes of section 15 of the Internal  
10 Revenue Code of 1986.

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