

107TH CONGRESS  
1ST SESSION

# S. 1819

To provide that members of the Armed Forces performing services in the Republic of Korea shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 13, 2001

Mr. BIDEN (for himself, Mr. SESSIONS, Mr. CLELAND, Mr. COCHRAN, and Mr. DAYTON) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide that members of the Armed Forces performing services in the Republic of Korea shall be entitled to tax benefits in the same manner as if such services were performed in a combat zone, 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. AVAILABILITY OF CERTAIN TAX BENEFITS FOR**  
4                       **INDIVIDUALS PERFORMING SERVICES IN**  
5                       **CERTAIN HARDSHIP DUTY AREAS.**

6       (a) GENERAL RULE.—For purposes of the following  
7       provisions of the Internal Revenue Code of 1986, a quali-

1 fied hardship duty area shall be treated in the same man-  
2 ner as if it were a combat zone (as determined under sec-  
3 tion 112 of such Code):

4 (1) Section 2(a)(3) (relating to special rule  
5 where deceased spouse was in missing status).

6 (2) Section 112 (relating to the exclusion of  
7 certain combat pay of members of the Armed  
8 Forces).

9 (3) Section 692 (relating to income taxes of  
10 members of Armed Forces on death).

11 (4) Section 2201 (relating to members of the  
12 Armed Forces dying in combat zone or by reason of  
13 combat-zone-incurred wounds, etc.).

14 (5) Section 3401(a)(1) (defining wages relating  
15 to combat pay for members of the Armed Forces).

16 (6) Section 4253(d) (relating to the taxation of  
17 phone service originating from a combat zone from  
18 members of the Armed Forces).

19 (7) Section 6013(f)(1) (relating to joint return  
20 where individual is in missing status).

21 (8) Section 7508 (relating to time for per-  
22 forming certain acts postponed by reason of service  
23 in combat zone).

24 (b) DEFINITIONS.—For purposes of this section—

1           (1) QUALIFIED HARDSHIP DUTY AREA.—The  
 2           term “qualified hardship duty area”, with respect to  
 3           a member of the Armed Forces, means any area  
 4           within the Republic of Korea in which the member  
 5           performs active duty that qualifies the member for  
 6           hardship duty pay.

7           (2) HARDSHIP DUTY PAY.—The term “hardship  
 8           duty pay” means the special pay provided for under  
 9           section 305 of title 37, United States Code.

10          (c) SPECIAL RULE FOR SECTION 7508.—Solely for  
 11          purposes of applying section 7508 of the Internal Revenue  
 12          Code of 1986, in the case of an individual who is per-  
 13          forming services in the Republic of Korea while deployed  
 14          away from such individual’s permanent duty station, the  
 15          term “qualified hardship duty area” includes, during the  
 16          period for which such entitlement is in effect, any area  
 17          in which such services are performed.

18          (d) EFFECTIVE DATES.—

19               (1) IN GENERAL.—Except as provided in para-  
 20               graph (2), this section shall take effect on January  
 21               1, 2001.

22               (2) WITHHOLDING.—Subsection (a)(5) shall  
 23               apply to remuneration paid after the date of the en-  
 24               actment of this Act.

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