

107TH CONGRESS
1ST SESSION

S. 750

To amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2001

Mr. BIDEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay.

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. TREATMENT OF DANGER PAY ALLOWANCE.**

4 (a) IN GENERAL.—Subchapter C of chapter 80 of the
5 Internal Revenue Code of 1986 (relating to provisions af-
6 fecting more than one subtitle) is amended by adding at
7 the end the following:

8 **“SEC. 7874. TREATMENT OF DANGER PAY ALLOWANCE.**

9 “(a) GENERAL RULE.—For purposes of the following
10 provisions, a danger pay allowance area shall be treated

1 in the same manner as if it were a combat zone (as deter-
2 mined under section 112):

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

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

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

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

13 “(5) Section 3401(a)(1) (defining wages relat-
14 ing to combat pay for members of the Armed
15 Forces).

16 “(6) Section 4253(d) (relating to the taxation
17 of phone service originating from a combat zone
18 from 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) DANGER PAY ALLOWANCE AREA.—For pur-
25 poses of this section, the term ‘danger pay allowance area’

1 means any area in which an individual receives a danger
2 pay allowance under section 5928 of title 5, United States
3 Code, for services performed in such area.”

4 (b) CONFORMING AMENDMENT.—The table of sec-
5 tions for subchapter C of chapter 80 of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following:

“Sec. 7874. Treatment of danger pay allowance.”

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

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