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(Original Signature of Member)

107TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. HOSTETTLER introduced the following bill; which was referred to the
Committee on _____

A BILL

To extend the tax benefits available with respect to services
performed in a combat zone to services performed in
the Republic of Korea.

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. AVAILABILITY OF CERTAIN TAX BENEFITS FOR**
2 **SERVICES AS PART OF QUALIFIED HARDSHIP**
3 **DUTY.**

4 (a) **GENERAL RULE.**—For purposes of the following
5 provisions of the Internal Revenue Code of 1986, a quali-
6 fied hardship duty area shall be treated in the same man-
7 ner as if it were a combat zone (as determined under sec-
8 tion 112 of such Code):

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

11 (2) Section 112 (relating to the exclusion of
12 certain combat pay of members of the Armed
13 Forces).

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

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

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

21 (6) Section 4253(d) (relating to the taxation of
22 phone service originating from a combat zone from
23 members of the Armed Forces).

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



1 (8) Section 7508 (relating to time for per-
2 forming certain acts postponed by reason of service
3 in combat zone).

4 (b) QUALIFIED HARDSHIP DUTY AREA.—For pur-
5 poses of this section, the term “qualified hardship duty
6 area” means any area of Republic of Korea during the
7 period (which includes the date of the enactment of this
8 Act) that any member of the Armed Forces of the United
9 States is entitled to special pay under section 305 of title
10 37, United States Code (relating to special pay: hardship
11 duty pay) for services performed in such area and any
12 area of the Republic of Korea during the time period of
13 July 1, 2000 to December 31, 2000, notwithstanding the
14 fact that members of the Armed Forces serving in the Re-
15 public of Korea were not authorized special pay under sec-
16 tion 305 to title 37 until January 1, 2001.

17 (c) SPECIAL RULE FOR SECTION 7508.—Solely for
18 purposes of applying section 7508 of the Internal Revenue
19 Code of 1986, in the case of an individual who is per-
20 forming services in Korea while deployed away from such
21 individual’s permanent duty station, the term “qualified
22 hardship duty area” includes, during the period for which
23 the entitlement referred to in subsection (b) is in effect,
24 any area in which such services are performed.

25 (d) EFFECTIVE DATES.—



1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), this section shall take effect on July 1,
3 2001.

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

