

Public Law 104-117
104th Congress

An Act

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

Mar. 20, 1996
[H.R. 2778]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN INDIVIDUALS PERFORMING SERVICES IN CERTAIN HAZARDOUS DUTY AREAS.

26 USC 112 note.

(a) **GENERAL RULE.**—For purposes of the following provisions of the Internal Revenue Code of 1986, a qualified hazardous duty area shall be treated in the same manner as if it were a combat zone (as determined under section 112 of such Code):

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

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

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

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

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

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

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

(8) Section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone).

(b) **QUALIFIED HAZARDOUS DUTY AREA.**—For purposes of this section, the term “qualified hazardous duty area” means Bosnia and Herzegovina, Croatia, or Macedonia, if as of the date of the enactment of this section any member of the Armed Forces of the United States is entitled to special pay under section 310 of title 37, United States Code (relating to special pay; duty subject to hostile fire or imminent danger) for services performed in such country. Such term includes any such country only during the period such entitlement is in effect. Solely for purposes of applying section 7508 of the Internal Revenue Code of 1986, in the case of an individual who is performing services as part of Operation Joint Endeavor outside the United States while deployed away from such individual’s permanent duty station, the term “qualified

hazardous duty area” includes, during the period for which such entitlement is in effect, any area in which such services are performed.

26 USC 3401. (c) EXCLUSION OF COMBAT PAY FROM WITHHOLDING LIMITED TO AMOUNT EXCLUDABLE FROM GROSS INCOME.—Paragraph (1) of section 3401(a) of the Internal Revenue Code of 1986 (defining wages) is amended by inserting before the semicolon the following: “to the extent remuneration for such service is excludable from gross income under such section”.

26 USC 112. (d) INCREASE IN COMBAT PAY EXCLUSION FOR OFFICERS TO HIGHEST AMOUNT APPLICABLE TO ENLISTED PERSONNEL.—

(1) IN GENERAL.—Subsection (b) of section 112 of such Code (relating to commissioned officers) is amended by striking “\$500” and inserting “the maximum enlisted amount”.

(2) MAXIMUM ENLISTED AMOUNT.—Subsection (c) of section 112 of such Code (relating to definitions) is amended by adding at the end the following new paragraph:

“(5) The term ‘maximum enlisted amount’ means, for any month, the sum of—

“(A) the highest rate of basic pay payable for such month to any enlisted member of the Armed Forces of the United States at the highest pay grade applicable to enlisted members, and

“(B) in the case of an officer entitled to special pay under section 310 of title 37, United States Code, for such month, the amount of such special pay payable to such officer for such month.”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of and amendments made by this section shall take effect on November 21, 1995.

(2) WITHHOLDING.—Subsection (a)(5) and the amendment made by subsection (c) shall apply to remuneration paid after the date of the enactment of this Act.

SEC. 2. EXTENSION OF INTERNAL REVENUE SERVICE USER FEES.

26 USC 7801
note.

Subsection (c) of section 10511 of the Revenue Act of 1987 is amended by striking “October 1, 2000” and by inserting “October 1, 2003”.

Approved March 20, 1996.

LEGISLATIVE HISTORY—H.R. 2778:

HOUSE REPORTS: No. 104-465 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 142 (1996):

Mar. 5, considered and passed House.

Mar. 6, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 32 (1996):

Mar. 20, Presidential statement.