

109TH CONGRESS  
1ST SESSION

# H. R. 3400

To amend the Internal Revenue Code of 1986 to make permanent the option of including combat pay when computing earned income.

---

## IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2005

Mr. TERRY introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the option of including combat pay when computing earned income.

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. EARNED INCOME INCLUDES COMBAT PAY.**

4 (a) EARNED INCOME CREDIT.—Clause (vi) of section  
5 32(c)(2)(B) of the Internal Revenue Code of 1986 is  
6 amended to read as follows:

7 “(vi) a taxpayer may elect to treat  
8 amounts excluded from gross income by  
9 reason of section 112 as earned income.”.

1       (b) REPEAL OF EGTRRA SUNSET APPLICA-  
2 BILITY.—Section 105 of the Working Families Tax Relief  
3 Act of 2004 shall not apply to the amendments made by  
4 section 104(b) of such Act.

5       (c) EFFECTIVE DATE.—The amendment made by  
6 subsection (a) shall apply to taxable years ending after  
7 December 31, 2005.

○