HR 1307

Armed Forces Tax Fairness Act of 2003

Congress: 108 (2003–2005, Ended)
Chamber: House
Policy Area: Taxation
Introduced: Mar 18, 2003
Current Status: Message on Senate action sent to the House.
Latest Action: Message on Senate action sent to the House. (Mar 31, 2003)
Official Text: https://www.congress.gov/bill/108th-congress/house-bill/1307

Sponsor

Name: Rep. Thomas, William M. [R-CA-22]
Party: Republican • **State:** CA • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 18, 2003

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
108 HR 1664	Related bill	**Apr 10, 2003:** Received in the Senate and Read twice and referred to the Committee on Finance.
108 HR 878	Related bill	**Mar 5, 2003:** Rules Committee Resolution H. Res. 126 Reported to House. Rule provides for consideration of H.R. 878 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Provides for one hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Waives all points of order against consideration of the bill; and provides that the amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the Rules Committee report (H.Rept. 108-25) shall be considered as adopted. Measure will be considered read. Bill is closed to amendments.
108 S 351	Related bill	**Feb 11, 2003:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 11.

Summary (as of Mar 27, 2003)

Armed Forces Tax Fairness Act of 2003 - **Title I: Improving Tax Equity for Military Personnel** - (Sec. 101) Amends the Internal Revenue Code (IRC) to authorize a member of the uniformed services or the Foreign Service serving on "qualified official extended duty" (any duty in excess of 90 days while serving at a duty station which is at least 50 miles from the principal residence or while residing under Government orders in Government quarters), to extend for ten years the five-year period utilized in determining full exclusion of gain from the sale of a principal residence.

Includes among the uniformed services: (1) the armed forces; (2) the commissioned corps of the National Oceanic and Atmospheric Administration; and (3) the commissioned corps of the Public Health Service.

Makes such provisions effective as if included in section 312 of the Taxpayer Relief Act of 1997.

States that if a refund or credit resulting from this section is prevented before the close of the one-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may be allowed if claimed before the close of such period.

(Sec. 102) Excludes from gross income as a qualified military benefit the amount of the death gratuity payable under chapter 75 of title 10 of the United States Code, effective with respect to deaths occurring after September 10, 2001.

(Sec. 103) Exempts amounts received under the Homeowners Assistance Program from inclusion as gross income.

(Sec. 104) Extends combat zone filing rules to contingency operations.

(Sec. 105) Includes ancestors or lineal descendants of past or present members of the armed forces or of cadets as qualifying members of veterans' organizations for purposes of such organizations' tax-exempt status determination.

(Sec. 106) Includes dependent care assistance provided under a dependent care assistance program for a member of the uniformed services by reason of such member's status or service as an income-excludable qualified military benefit.

(Sec. 107) Exempts distributions from an education individual retirement account from the ten percent additional tax for non-educational use: (1) if made for an account holder at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy; and (2) to the extent that the distribution does not exceed the costs of advanced education.

(Sec. 108) Suspends the tax-exempt status of a designated terrorist organization (as defined by this Act). Denies: (1) deductions for contributions made to such an organization; and (2) administrative or judicial challenge to such suspension or denial. Provides for refund or credit in a case of erroneous designation.

(Sec. 109) Provides a deduction for itemizers and non-itemizers for unreimbursed overnight travel, meals, and lodging expenses of National Guard and Reserve members who must travel more than 100 miles away from home and stay overnight as part of their official duties.

(Sec. 110) Provides tax relief for families of the Columbia Space Shuttle by making the tax relief provisions applicable to terrorist attack victims applicable to the Columbia Space Shuttle.

Title II: Other Provisions - (Sec. 201) Establishes Internal Revenue Service (IRS) service user fee authority through September 30, 2013. Sets forth program criteria and average fee requirements.

(Sec. 202) Authorizes IRS to enter into partial payment installment agreements with taxpayers. Requires review of such agreements at least every two years. Makes such provision effective for agreements entered into on or after the date of enactment of this Act.

(Sec. 203) Revises IRC expatriation tax provisions.

States that all property of a "covered expatriate" (a U.S. citizen who relinquishes citizenship, or a long-term U.S. resident who ceases to be a lawful permanent resident or who commences foreign residency under the provisions of a tax treaty) shall be treated as sold on the day before the "expatriation date" for its fair market value, and that gain (in excess of $600,000) and loss shall be taken into account for the taxable year of the sale (with subsequent adjustment). Permits an individual to defer payments of the additional tax imposed by such deemed sale (but not beyond such person's death). Sets forth interest provisions. Requires provision of tax payment security.

Exempts certain U.S. citizens from being treated as a covered expatriate who: (1) became a citizen of the United States and another country at birth; or (2) relinquished U.S. citizenship before reaching 18 and 1/2 years old.

Permits an individual to make an irrevocable decision to be taxed as a U.S. citizen with respect to all property otherwise covered by the expatriation provisions. Requires an individual to: (1) furnish tax payment security; and (2) waive any rights under U.S. treaties that would preclude assessment or collection of relevant tax.

Excludes certain U.S. real property interests from the provisions of this Act. Subjects the following retirement plans to the provisions of this Act: (1) qualified retirement plans, including specified annuity plans and individual retirement accounts; (2) specified deferred compensation plans; and (3) foreign retirement or pension plans.

Establishes special rules for covered expatriates' interests in trusts and qualified trusts.

Includes in a recipient's gross income the value of property received by gift or bequest from a covered expatriate, with exceptions for transfers otherwise subject to estate or gift tax. Makes such provisions applicable to gifts and bequests received on or after February 5, 2003, from an individual whose expatriation date occurs after such date.

Makes such expatriate tax provisions, unless otherwise provided for by this Act, effective on or after February 5, 2003.

Amends the Immigration and Nationality Act to deny a former citizen reentry into the United States for noncompliance with the provisions of this title. (Current law denies reentry based upon tax-motivated expatriation.) Permits IRS-Immigration and Naturalization Service information sharing for such purpose. Makes such provisions effective upon enactment of this Act.

Actions Timeline

- **Mar 31, 2003:** Message on Senate action sent to the House.
- **Mar 27, 2003:** Measure laid before Senate by unanimous consent. (consideration: CR S4472-4483, S4490-4495)
- **Mar 27, 2003:** Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 97 - 0. Record Vote Number: 110.(text: CR S4490-4495)
- **Mar 27, 2003:** Passed Senate with an amendment by Yea-Nay Vote. 97 - 0. Record Vote Number: 110. (text: CR S4490-4495)
- **Mar 20, 2003:** Considered as unfinished business. (consideration: CR H2136-2137)
- **Mar 20, 2003:** Passed/agreed to in House: On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 422 - 0 (Roll no. 76).(text: CR 3/19/2003 H1964-1966)
- **Mar 20, 2003:** On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 422 - 0 (Roll no. 76). (text: CR 3/19/2003 H1964-1966)
- **Mar 20, 2003:** Motion to reconsider laid on the table Agreed to without objection.
- **Mar 20, 2003:** Received in the Senate.
- **Mar 19, 2003:** Mr. Thomas moved to suspend the rules and pass the bill.
- **Mar 19, 2003:** Considered under suspension of the rules. (consideration: CR H1964-1970)
- **Mar 19, 2003:** DEBATE - The House proceeded with forty minutes of debate on H.R. 1307.
- **Mar 19, 2003:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **Mar 18, 2003:** Introduced in House
- **Mar 18, 2003:** Introduced in House
- **Mar 18, 2003:** Referred to the House Committee on Ways and Means.