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HR 878

Armed Forces Tax Fairness Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Feb 25, 2003

Current Status: Rules Committee Resolution H. Res. 126 Reported to House. Rule provides for consideration of H.R. 87

Latest Action: 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. (Mar 5, 2003)

Official Text: https://www.congress.gov/bill/108th-congress/house-bill/878

Sponsor

Name: Rep. Thomas, William M. [R-CA-22]

Party: Republican • **State:** CA • **Chamber:** House

Cosponsors (25 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Camp, Dave [R-MI-4]	R · MI		Feb 25, 2003
Rep. Cantor, Eric [R-VA-7]	R · VA		Feb 25, 2003
Rep. Crane, Philip M. [R-IL-8]	R · IL		Feb 25, 2003
Rep. English, Phil [R-PA-3]	R · PA		Feb 25, 2003
Rep. Hayworth, J. D. [R-AZ-5]	R · AZ		Feb 25, 2003
Rep. Herger, Wally [R-CA-2]	R · CA		Feb 25, 2003
Rep. Houghton, Amo [R-NY-29]	R · NY		Feb 25, 2003
Rep. Johnson, Sam [R-TX-3]	R · TX		Feb 25, 2003
Rep. Lewis, Ron [R-KY-2]	R · KY		Feb 25, 2003
Rep. Ramstad, Jim [R-MN-3]	R · MN		Feb 25, 2003
Rep. Cole, Tom [R-OK-4]	R · OK		Feb 26, 2003
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Feb 26, 2003
Rep. McCrery, Jim [R-LA-4]	R · LA		Feb 26, 2003
Rep. McInnis, Scott [R-CO-3]	R · CO		Feb 26, 2003
Rep. Portman, Rob [R-OH-2]	R · OH		Feb 26, 2003
Rep. Simmons, Rob [R-CT-2]	R · CT		Feb 26, 2003
Rep. Reynolds, Thomas M. [R-NY-26]	R · NY		Feb 27, 2003
Rep. Wilson, Joe [R-SC-2]	R · SC		Feb 27, 2003
Rep. Bradley, Jeb [R-NH-1]	R · NH		Mar 4, 2003
Rep. Crenshaw, Ander [R-FL-4]	R · FL		Mar 4, 2003
Rep. Duncan, John J., Jr. [R-TN-2]	R · TN		Mar 4, 2003
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Mar 4, 2003
Rep. Hefley, Joel [R-CO-5]	R · CO		Mar 4, 2003
Rep. McCotter, Thaddeus G. [R-MI-11]	R · MI		Mar 4, 2003
Rep. Royce, Edward R. [R-CA-40]	R · CA		Mar 4, 2003

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Reported By	Mar 5, 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 1307	Related bill	**Mar 31, 2003:** Message on Senate action sent to the House.
108 HRES 126	Procedurally related	**Mar 13, 2003:** Pursuant to the provisions of H. Res. 139, H. Res. 126 is laid on the table.
108 S 351	Related bill	**Feb 11, 2003:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 11.

Summary (as of Mar 5, 2003)

Armed Forces Tax Fairness Act of 2003 - **Title I: Armed Forces** - (Sec. 101) Amends the Internal Revenue Code (IRC) to authorize a member of the uniformed services, the Foreign Service, or the Peace Corps on "qualified official extended duty" (any duty in excess of 180 days while serving at a duty station which is at least 150 miles from the principal residence or while residing under Government orders in Government quarters), to extend for five 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 (limited to $500) 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.

Title II: Miscellaneous Provisions - (Sec. 201) 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.

(Sec. 202) Coordinates farmers income averaging with the alternative minimum tax.

(Sec. 203) Provides for the application of capital gain treatment to outright sales of timber whether or not the owner

retains economic interest.

(Sec. 204) Extends, with respect to involuntary conversion rules, the replacement period for livestock sold on account of weather related conditions.

(Sec. 205) Revises the excise tax provisions on bows, arrows, and other archery equipment.

(Sec. 206) Repeals the excise tax on fishing tackle boxes.

(Sec. 207) Provides a reduced tax rate (19.7 cents per gallon) for diesel fuel blended with water into an emulsion fuel which is at least 14 percent water.

(Sec. 208) Expands the 50-percent tax orphan drug tax credit for expenses related to human clinical testing of drugs for the treatment of certain rare diseases and conditions to include those expenses related to human clinical testing incurred after the date on which an application is filed with the Food and Drug Administration for designation of the drug as a potential treatment for a rare disease or disorder.

(Sec. 209) Allows State-based health insurance coverage to be qualified health insurance for the refundable health insurance tax credit if an eligible individual (an eligible Trade Adjustment Assistance recipient, an eligible alternative TAA recipient, and an eligible Pension Benefit Guarantee Corporation pension recipient) waives State-based health insurance coverage requirements concerning guaranteed issue, no exclusion for preexisting conditions, nondiscriminatory premiums, and benefits.

(Sec. 210) Revises, with respect to real property, provisions concerning the treatment under the at-risk rules of publicly traded nonrecourse debt.

(Sec. 211) Excludes from "gross income" income derived by a nonresident alien individual from a legal wagering transaction initiated outside the United States in a parimutuel pool with respect to a live horse race in the United States.

(Sec. 212) Provides that the patronage dividends of cooperatives shall not be reduced by stock dividends to the extent the stock dividends are in addition to amounts otherwise payable.

(Sec. 213) Treats as an exempt facility bond any qualified forest conservation bond. Defines such a bond as any bond: (1) of which 95 percent or more of the net proceeds are to be used for qualified project costs; (2) that is an obligation of the State of Washington or any political subdivision thereof and is issued for the Evergreen Forest Trust; and (3) issued before October 1, 2004. Limits the maximum aggregate face amount of such bonds issued to $250,000,000.

(Sec. 214) Provides that amounts transferred to any trust fund under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act shall be determined as if this title and title I of this Act had not enacted.

Title III: Revenue Provisions - (Sec. 301) Revises IRC expatriation tax provisions.

Subjects, for a ten year period following citizenship relinquishment or residency termination, to the expatriation (alternative) tax provisions an individual: (1) with an average annual net income tax for the period of five taxable years ending before the date of the loss of U. S. citizenship of more than $122,000; (2) with a net worth as of such date of $2 million or more; or (3) who fails to certify under penalty of perjury that he or she has met applicable Federal tax requirements for the five preceding taxable years or fails to submit such evidence of such compliance as the Secretary may require. Provides exceptions for dual citizens and minors.

(Sec. 302) Includes any vaccine against hepatitis A under the 75-cents-per-dose manufacturer's excise tax.

Actions Timeline

- **Mar 5, 2003:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 108-23.
- **Mar 5, 2003:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 108-23.
- **Mar 5, 2003:** Placed on the Union Calendar, Calendar No. 16.
- **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.
- **Feb 27, 2003:** Committee Consideration and Mark-up Session Held.
- **Feb 27, 2003:** Ordered to be Reported (Amended) by Voice Vote.
- **Feb 25, 2003:** Introduced in House
- **Feb 25, 2003:** Introduced in House
- **Feb 25, 2003:** Referred to the House Committee on Ways and Means.