

110TH CONGRESS
1ST SESSION

S. 516

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

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 2007

Mr. PRYOR (for himself, Mr. WARNER, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

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. SHORT TITLE.**

4 This Act may be cited as the “Tax Relief for Ameri-
5 cans in Combat Act” or the “TRAC Act”.

6 **SEC. 2. EARNED INCOME INCLUDES COMBAT PAY.**

7 (a) EARNED INCOME CREDIT.—Clause (vi) of section
8 32(c)(2)(B) of the Internal Revenue Code of 1986 is
9 amended to read as follows:

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

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

8 (c) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall apply to taxable years ending after
10 December 31, 2006.

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