
AMENDING SECTION 3804 OF THE INTERNAL REVENUE
CODE

DECEMBER 19 (legislative day, NOVEMBER 27), 1950.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H. J. Res. 554]

The Committee on Finance, to whom was referred the joint resolution (H. J. Res. 554) to amend section 3804 of the Internal Revenue Code, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

GENERAL STATEMENT

The purpose of this joint resolution is to suspend the time limitations with respect to the performance of acts required under Federal tax laws, including the filing of income-tax returns and the payment of Federal income taxes, where such performance is impracticable or impossible by reason of the service by an individual in the Armed Forces of the United States or in support of such Armed Forces in a combat zone.

The period of time to be so disregarded is the period of service in the combat zone, plus the period of continuous hospitalization attributable to injury received during service in the combat zone, and the next 180 days thereafter.

The prompt enactment of the joint resolution is essential in view of the large number of members of the Armed Forces now engaged in combatant activities in Korea.

EXPLANATION OF THE BILL

The Revenue Act of 1942 added to the Internal Revenue Code section 3804 which had for its purpose the suspension of time limitations, running against the Government, taxpayers, and others in certain cases where, by reason of the war, timely performance of acts affecting Federal tax liabilities and rights, such as filing of returns and

payment of tax, would be impossible or impracticable. In general, section 3804 was terminated at the end of 1947.

This bill would restore section 3804 in the case of individuals serving in the Armed Forces of the United States, and individuals serving in support of such Armed Forces, in a combat zone during a period of combatant activities, or hospitalized outside the States of the Union and the District of Columbia as a result of injury received while serving in a combat zone. For the purposes of this provision a combat zone is any area designated by the President of the United States by Executive order as a combat zone for the purposes of section 22 (b) (13). Section 22 (b) (13) of the code, which excludes from taxable income the compensation of members of the Armed Forces of the United States in combat zone, authorizes the President to designate as a combat zone any area in which he finds that the Armed Forces of the United States are or have (after June 24, 1950) engaged in combat. In addition, the service in the combat zone must occur at some time during the period which the President designates, for the purposes of section 22 (b) (13), as a period of combatant activities in the zone.

Under the bill, the period of time to be disregarded in determining whether the various specified acts have been performed within the time prescribed by law is the period of service in the combat zone, plus the period of continuous hospitalization outside the States of the Union and the District of Columbia attributable to such injury, and the next 180 days thereafter. In the case of an individual who dies while serving in a combat zone, or while hospitalized outside the States of the Union and the District of Columbia as a result of injury received in a combat zone, the next 180 days after his death would be disregarded under section 3804 in determining whether acts have been timely performed by his executor, administrator, or conservator.

Among the classes of individuals serving in support of the Armed Forces of the United States and who are within the scope of the amendment are Red Cross personnel, industrial technicians, civilian employees of the Federal Government in specialist categories, scientists, and accredited correspondents.

