

Opening Remarks by Senator Chuck Grassley  
Hearing, Tax and Fiscal Policy: Effects on the Military and Veterans Community  
September 22, 2010

When our nation is at war, as it is now, we are often reminded of the tremendous sacrifices made on the battlefield by those who wear our country's uniform. I think of Salvatore Giunta, the Iowan who is about to receive the Medal of Honor for risking his life to aid his wounded comrades while fighting the Taliban in Afghanistan. The stories I read in the paper of the patriots from my home state who have given their lives for their country also bring home the tremendous price of freedom.

We can never thank enough those who are serving or who have served in the Armed Forces. However, we often overlook the many day to day sacrifices on the part of those who serve and their families.

I also want to acknowledge the small business owners, like Dr. Darrah, from my home state of Iowa, who seek to hire reservists even knowing that they could be called to active duty leaving the business in the lurch.

To the extent that it is possible to alleviate the extra stresses and strains on service members and veterans as well as their families and support networks, we have an obligation to explore policy options to do so.

I was pleased to support the Military Family Tax Relief Act of 2003 and the Heroes Earnings Assistance and Relief Tax Act of 2008 (otherwise known as the HEART Act). These both became law.

Among other provisions, included in these laws were a temporary tax credit for small employers of Reservists called to active duty, a permanent extension of an election to include combat pay as earned income for purposes of the earned income tax credit, an allowance for Reservists called up for active duty to withdraw unused funds from a health flexible spending account, and an exclusion from income payments made to offset adverse effects in housing values that result from military base closures.

The subject of the hearing is very important: We will consider to what extent the tax laws of this country need to be changed to alleviate the special hardships placed upon the military and veteran communities.

To the extent requirements of the Federal Government, as contained in USERRA (Uniformed Services Employment and Reemployment Rights Act) and elsewhere, place burdens on employers of those deployed in the military, we should determine the most appropriate way to alleviate those burdens.

This Committee should also consider the best way the unique burdens of the members of the military and veterans communities should be addressed by the tax laws. The Committee may

also wish to determine the best way those burdens are addressed – by the tax law, or by some other way?