

Public Law 102-2
102d Congress

An Act

To extend the time for performing certain acts under the internal revenue laws for individuals performing services as part of the Desert Shield Operation.

Jan. 30, 1991
[H.R. 4]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Armed Forces.
Taxes.

SECTION 1. EXTENSION OF TIME FOR PERFORMING CERTAIN ACTS.

(a) **INDIVIDUALS PERFORMING DESERT SHIELD SERVICES.**—Section 7508 of the Internal Revenue Code of 1986 (relating to time for performing certain acts postponed by reason of service in combat zone) is amended by adding at the end thereof the following new subsection:

26 USC 7508.

“(f) **TREATMENT OF INDIVIDUALS PERFORMING DESERT SHIELD SERVICES.**—

“(1) **IN GENERAL.**—Any individual who performed Desert Shield services (and the spouse of such individual) shall be entitled to the benefits of this section in the same manner as if such services were services referred to in subsection (a).

“(2) **DESERT SHIELD SERVICES.**—For purposes of this subsection, the term ‘Desert Shield services’ means any services in the Armed Forces of the United States or in support of such Armed Forces if—

“(A) such services are performed in the area designated by the President pursuant to this subparagraph as the ‘Persian Gulf Desert Shield area’, and

“(B) such services are performed during the period beginning on August 2, 1990, and ending on the date on which any portion of the area referred to in subparagraph (A) is designated by the President as a combat zone pursuant to section 112.”

(b) **INTEREST ALLOWED ON OVERPAYMENTS.**—

(1) Section 7508 of such Code is amended by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and by inserting after subsection (a) the following new subsection:

“(b) **SPECIAL RULE FOR OVERPAYMENTS.**—

“(1) **IN GENERAL.**—Subsection (a) shall not apply for purposes of determining the amount of interest on any overpayment of tax.

“(2) **SPECIAL RULES.**—If an individual is entitled to the benefits of subsection (a) with respect to any return and such return is timely filed (determined after the application of such subsection), subsections (b)(3) and (e) of section 6611 shall not apply.”

(2) Paragraph (2) of section 7508(a) of such Code is amended by striking “(including interest)”.

(c) **EXTENSION AVAILABLE FOR HOSPITALIZATION IN THE UNITED STATES.**—

(1) **IN GENERAL.**—Subsection (a) of section 7508 of such Code is amended—

(A) by striking "outside the United States" the first place it appears, and

(B) by striking "the period of continuous hospitalization outside the United States" and inserting "the period of continuous qualified hospitalization".

26 USC 7508.

(2) **QUALIFIED HOSPITALIZATION.**—Section 7508 of such Code is amended by adding at the end thereof the following new subsection:

"(g) **QUALIFIED HOSPITALIZATION.**—For purposes of subsection (a), the term 'qualified hospitalization' means—

"(1) any hospitalization outside the United States, and

"(2) any hospitalization inside the United States, except that not more than 5 years of hospitalization may be taken into account under this paragraph.

Paragraph (2) shall not apply for purposes of applying this section with respect to the spouse of an individual entitled to the benefits of subsection (a)."

26 USC 7508
note.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on August 2, 1990.

Approved January 30, 1991.

LEGISLATIVE HISTORY—H.R. 4 (S. 251):

HOUSE REPORTS: No. 102-2 (Comm. on Ways and Means).

SENATE REPORTS: No. 102-2 accompanying S. 251 (Comm. on Finance).

CONGRESSIONAL RECORD, Vol. 137 (1991):

Jan. 23, considered and passed House.

Jan. 24, considered and passed Senate.