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(Original Signature of Member)

109TH CONGRESS
2D SESSION

H. R. _____

To amend title 10, United States Code, to eliminate the offset between military retired pay and veterans service-connected disability compensation for certain retired members of the Armed Forces who have a service-connected disability, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MARSHALL introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 10, United States Code, to eliminate the offset between military retired pay and veterans service-connected disability compensation for certain retired members of the Armed Forces who have a service-connected disability, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Disabled Veterans Tax
3 Termination Act”.

4 **SEC. 2. ELIGIBILITY FOR PAYMENT OF BOTH RETIRED PAY**
5 **AND VETERANS’ DISABILITY COMPENSATION**
6 **FOR CERTAIN ADDITIONAL MILITARY RETIR-**
7 **EES WITH COMPENSABLE SERVICE-CON-**
8 **NECTED DISABILITIES.**

9 (a) EXTENSION OF CONCURRENT RECEIPT AUTHOR-
10 ITY TO RETIREES WITH SERVICE-CONNECTED DISABIL-
11 ITIES RATED LESS THAN 50 PERCENT.—Section 1414 of
12 title 10, United States Code, is amended by striking para-
13 graph (2) of subsection (a).

14 (b) REPEAL OF PHASE-IN OF CONCURRENT RECEIPT
15 OF RETIRED PAY AND VETERANS’ DISABILITY COM-
16 PENSATION.—Such section is further amended—

17 (1) in subsection (a), by striking the final sen-
18 tence of paragraph (1);

19 (2) by striking subsection (c) and redesignating
20 subsections (d) and (e) as subsections (c) and (d),
21 respectively; and

22 (3) in subsection (d) (as so redesignated), by
23 striking subparagraph (4).

24 (c) CLERICAL AMENDMENTS.—

25 (1) The heading for section 1414 of such title
26 is amended to read as follows:

1 **“§ 1414. Members eligible for retired pay who are also**
2 **eligible for veterans’ disability compensa-**
3 **tion: concurrent payment of retired pay**
4 **and disability compensation”.**

5 (2) The item relating to such section in the
6 table of sections at the beginning of chapter 71 of
7 such title is amended to read as follows:

“1414. Members eligible for retired pay who are also eligible for veterans’ disability compensation: concurrent payment of retired pay and disability compensation.”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on the first day of the first
10 month beginning after the date of the enactment of this
11 Act and shall apply to payments for months beginning on
12 or after that date.

13 **SEC. 3. COORDINATION OF SERVICE ELIGIBILITY FOR COM-**
14 **BAT-RELATED SPECIAL COMPENSATION AND**
15 **CONCURRENT RECEIPT.**

16 (a) ELIGIBILITY FOR TERA RETIREES.—Subsection
17 (c) of section 1413a of title 10, United States Code, is
18 amended by striking “entitled to retired pay who—” and
19 all that follows and inserting “who—

20 “(1) is entitled to retired pay, other than a
21 member retired under chapter 61 of this title with
22 less than 20 years of service creditable under section
23 1405 of this title and less than 20 years of service
24 computed under section 12732 of this title; and

1 “(2) has a combat-related disability.”.

2 (b) AMENDMENTS TO STANDARDIZE SIMILAR PROVI-
3 SIONS.—

4 (1) CLERICAL AMENDMENT.—The heading for
5 paragraph (3) of section 1413a(b) of such title is
6 amended by striking “RULES” and inserting
7 “RULE”.

8 (2) SPECIFICATION OF QUALIFIED RETIREES
9 FOR CONCURRENT RECEIPT PURPOSES.—Subsection
10 (a) of section 1414 of such title, as amended by sec-
11 tion 2(a), is amended—

12 (A) by striking “a member or” and all that
13 follows through “retiree’)” and inserting “an
14 individual who is a qualified retiree for any
15 month”;

16 (B) by inserting “retired pay and veterans’
17 disability compensation” after “both”; and

18 (C) by adding at the end the following new
19 paragraph:

20 “(2) QUALIFIED RETIREES.—For purposes of
21 this section, a qualified retiree, with respect to any
22 month, is a member or former member of the uni-
23 formed services who—

24 “(A) is entitled to retired pay, other than
25 in the case of a member retired under chapter

1 61 of this title with less than 20 years of serv-
2 ice creditable under section 1405 of this title
3 and less than 20 years of service computed
4 under section 12732 of this title; and

5 “(B) is also entitled for that month to vet-
6 erans’ disability compensation.”.

7 (3) STANDARDIZATION WITH CRSC RULE FOR
8 CHAPTER 61 RETIREES.—Subsection (b) of section
9 1414 of such title is amended—

10 (A) by striking “SPECIAL RULES” in the
11 subsection heading and all that follows through
12 “is subject to” in paragraph (1) and inserting
13 “SPECIAL RULE FOR CHAPTER 61 DISABILITY
14 RETIREES.—In the case of a qualified retiree
15 who is retired under chapter 61 of this title, the
16 retired pay of the member is subject to”; and

17 (B) by striking paragraph (2).

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on the first day of the first
20 month beginning after the date of the enactment of this
21 Act and shall apply to payments for months beginning on
22 or after that date.