

Altmire, House Cut Taxes for Military Families

(Washington, D.C.) – U.S. Congressman Jason Altmire (PA-04) today voted for the Heroes Earnings Assistance and Relief Tax Act (HEART Act – H.R. 6081), legislation that will provide \$2 billion in tax cuts to military families.

The HEART Act includes key provisions of the Active Duty Military Tax Relief Act (H.R. 3827), a bill Congressman Altmire introduced last year to provide tax relief to military families who are facing financial hardship due to multiple deployments.

The HEART Act passed today by a vote of 403 - 0. The Senate is expected to pass the HEART Act before Memorial Day, after which it will be sent to the president to be signed into law.

“Last fall, I introduced the Active Duty Military Tax Relief Act to assist our brave men and women in uniform who are serving our country with honor and distinction,” Altmire said. “I am pleased that significant provisions proposed in my bill were incorporated into HEART Act that Congress passed today. The HEART Act is an important step forward in lessening the financial burden that many of our military families face when a loved one is deployed.”

The HEART Act includes five of the six provisions of Congressman Altmire’s Active Duty Military Tax Relief Act (H.R. 3827). A key purpose of the bill is to provide incentives to ensure reservists who are called up to active duty do not suffer a pay cut. An estimated 30 percent of reservists report taking a pay cut when activated. Specifically, the bill provides small business owners with a new tax credit for wages paid to reservists called to active duty and allows differential wage payments to reservists to be treated as earned income for tax withholding and retirement plan purposes for the first time.

In addition, the HEART Act permanently extends tax provisions to allow active duty military personnel to treat combat pay as earned income for the purposes of computing the earned income tax and to permit reservists to make penalty-free withdrawals from their retirement plans. It also lets family members of soldiers killed in the line of duty to contribute any amount of the military death gratuity (\$100,000) into tax-favored accounts, such as Roth IRAs and Education Savings Accounts.

“The HEART Act will help America’s military families by making essential tax relief permanent and by providing incentives to ensure reservists who are called up for active duty do not suffer a pay cut,” Altmire said. “Nothing is more important than honoring our commitment to support our troops and their families both during and after deployment.”