

1 **of service in an area of armed conflict.**

2 In addition to amounts authorized to be subtracted from
3 federal adjusted gross income pursuant to section twelve of this
4 article, a modification reducing federal adjusted gross income is
5 hereby authorized in the amount of any income received by an
6 individual during the period of time the individual is serving in
7 the active service of the Armed Forces of the United States or
8 National Guard in an area of armed conflict between military forces
9 of the United States and hostile forces, and in the amount of any
10 income received by the spouse of such individual during that period
11 of time, up to a maximum of \$100,000 per year for individual filers
12 and persons who are married but filing separately, and \$200,000 per
13 year for persons who are married and filing jointly, but only to
14 the extent the amount is not allowable as a deduction when arriving
15 at the taxpayer's federal adjusted gross income for the taxable
16 year in which the payment is made. This modification is available
17 regardless of the type of return form filed: *Provided*, That the
18 amount of the decreasing modification, in combination with all
19 other decreasing modifications authorized pursuant to this article,
20 shall in no event reduce taxable income below zero. The provisions
21 of this section are effective for taxable years beginning on and
22 after January 1, 2014.

NOTE: The purpose of this bill is to provide an additional decreasing modification reducing federal adjusted gross income for income earned by military personnel and their spouses during a period of service in an area of armed conflict.

This section is new; therefore, it has been completely underscored.