

119TH CONGRESS
1ST SESSION

H. R. 2565

To amend the Internal Revenue Code of 1986 to exclude enlistment and reenlistment bonuses for members of the armed forces from gross income.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2025

Mr. MAST introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude enlistment and reenlistment bonuses for members of the armed forces from gross income.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Tax on Bonuses
5 Act of 2025”.

6 **SEC. 2. EXCLUSION FROM GROSS INCOME OF ENLISTMENT**
7 **AND REENLISTMENT BONUSES FOR MEM-**
8 **BERS OF THE ARMED FORCES.**

9 (a) IN GENERAL.—Section 112 of the Internal Rev-
10 enue Code of 1986 is amended by redesignating sub-

1 sections (c) and (d) as subsections (d) and (e), respec-
2 tively, and by inserting after subsection (b) the following
3 new subsection:

4 “(c) QUALIFIED BONUS.—Gross income does not in-
5 clude a qualified bonus.”.

6 (b) QUALIFIED BONUS DEFINED.—Section 112(d) of
7 such Code, as redesignated by subsection (a), is amended
8 by adding at the end the following new paragraph:

9 “(6) QUALIFIED BONUS.—

10 “(A) IN GENERAL.—The term ‘qualified
11 bonus’ means an enlistment, accession, reenlist-
12 ment, retention, incentive, or other bonus paid
13 by the Secretary concerned to a member of the
14 Armed Forces of the United States in exchange
15 for the agreement of the member to accept a
16 commission as an officer, extend an active serv-
17 ice commitment as an officer, enlist, reenlist, or
18 extend an enlistment as an enlisted member in
19 an active or reserve component, or enter into a
20 reserve affiliation agreement.

21 “(B) OTHER DEFINITIONS.—For purposes
22 of subparagraph (A), the terms ‘active service’,
23 ‘enlisted member’, ‘officer’, and ‘Secretary con-
24 cerned’ have the meanings given to such terms
25 in section 101 of title 10, United States Code.”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 2201 of such Code is amended by
3 striking “section 112(c)” both places it appears and
4 inserting “section 112(d)”.

5 (2) The heading for section 112 of such Code
6 is amended by inserting “**AND OTHER**” before
7 “**COMPENSATION**”.

8 (3) Section 3401(a)(1) of such Code is amended
9 by inserting “and other” before “compensation”.

10 (4) The table of sections for part III of sub-
11 chapter B of chapter 1 of such Code is amended by
12 striking the item relating to section 112 and insert-
13 ing the following new item:

“Sec. 112. Certain combat zone and other compensation of members of the
Armed Forces.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

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