

115TH CONGRESS
1ST SESSION

H. R. 4516

To amend the Internal Revenue Code of 1986 to modify the treatment of certain payments made with respect to sexual misconduct.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 1, 2017

Ms. DELBENE 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 modify the treatment of certain payments made with respect to sexual misconduct.

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 “Stop Tax Breaks for
5 Sexual Misconduct Act”.

6 **SEC. 2. TREATMENT OF CERTAIN PAYMENTS MADE WITH**
7 **RESPECT TO SEXUAL MISCONDUCT.**

8 (a) DENIAL OF DEDUCTION FOR CERTAIN PAY-
9 MENTS MADE WITH RESPECT TO SEXUAL MIS-
10 CONDUCT.—Section 162(c) of the Internal Revenue Code

1 of 1986 is amended by adding at the end the following
2 new paragraph:

3 “(4) CERTAIN PAYMENTS MADE WITH RESPECT
4 TO SEXUAL MISCONDUCT.—No deduction shall be al-
5 lowed under subsection (a) for any amount paid or
6 incurred for—

7 “(A) liability insurance providing coverage
8 with respect to sexual misconduct by an em-
9 ployee, or

10 “(B) damages, settlement costs, or attor-
11 ney’s fees with respect to sexual misconduct by
12 an employee.”.

13 (b) EXCLUSION FROM GROSS INCOME OF CERTAIN
14 AMOUNTS RECEIVED WITH RESPECT TO SEXUAL MIS-
15 CONDUCT.—Section 104(a) of the Internal Revenue Code
16 of 1986 is amended by striking “and” at the end of para-
17 graph (5), by striking the period at the end of paragraph
18 (6) and inserting “; and”, and by inserting after para-
19 graph (6) the following new paragraph:

20 “(7) amount received as damages or settlement
21 payments on account of injuries due to sexual mis-
22 conduct.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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