

118TH CONGRESS  
1ST SESSION

# S. 3459

To amend the Internal Revenue Code of 1986 to allow an above-the-line deduction for attorney fees and costs in connection with consumer claim awards.

---

## IN THE SENATE OF THE UNITED STATES

DECEMBER 11, 2023

Ms. CORTEZ MASTO (for herself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to allow an above-the-line deduction for attorney fees and costs in connection with consumer claim awards.

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 “End Double Taxation  
5 of Successful Consumer Claims Act”.

1 **SEC. 2. ABOVE-THE-LINE DEDUCTION FOR ATTORNEY FEES**  
2 **AND COSTS IN CONNECTION WITH CON-**  
3 **SUMER CLAIM AWARDS.**

4 (a) IN GENERAL.—The first sentence of paragraph  
5 (20) of section 62(a) of the Internal Revenue Code of  
6 1986 is amended by inserting “or a claim of a consumer  
7 protection violation (as defined in subsection (f))” after  
8 “section 1862(b)(3)(A) of the Social Security Act (42  
9 U.S.C. 1395y(b)(3)(A))”.

10 (b) CONSUMER PROTECTION VIOLATION DEFINED.—  
11 Section 62 of the Internal Revenue Code of 1986 is  
12 amended by adding at the end the following new sub-  
13 section:

14 “(f) CONSUMER PROTECTION VIOLATION DE-  
15 FINED.—For purposes of subsection (a)(20), the term  
16 ‘consumer protection violation’ means an act that is un-  
17 lawful under any of the following:

18 “(1) Section 987 of title 10, United States  
19 Code.

20 “(2) Section 6, 8, or 9 of the Real Estate Set-  
21 tlement Procedures Act of 1974 (12 U.S.C. 2605,  
22 2607, or 2608).

23 “(3) The Expedited Funds Availability Act (12  
24 U.S.C. 4001 et seq.).

25 “(4) The Homeowners Protection Act of 1998  
26 (12 U.S.C. 4901 et seq.).

1           “(5) The Truth in Lending Act (15 U.S.C.  
2           1601 et seq.).

3           “(6) The Credit Repair Organizations Act (15  
4           U.S.C. 1679 et seq.).

5           “(7) The Fair Credit Reporting Act (15 U.S.C.  
6           1681 et seq.).

7           “(8) The Equal Credit Opportunity Act (15  
8           U.S.C. 1691 et seq.).

9           “(9) The Fair Debt Collection Practices Act  
10          (15 U.S.C. 1692 et seq.).

11          “(10) The Electronic Fund Transfer Act (15  
12          U.S.C. 1693 et seq.).

13          “(11) The Interstate Land Sales Full Disclo-  
14          sure Act (15 U.S.C. 1701 et seq.).

15          “(12) The Consumer Product Safety Act (15  
16          U.S.C. 2051 et seq.).

17          “(13) The Magnuson-Moss Warranty-Federal  
18          Trade Commission Improvement Act (15 U.S.C.  
19          2301 et seq.).

20          “(14) The Servicemembers Civil Relief Act (50  
21          U.S.C. 3901 et seq.).

22          “(15) Any provision of Federal law prohibiting  
23          unfair or deceptive trade or credit practices.

1           “(16) Any provision of Federal, State, or local  
2 law, or common law claims permitted under Federal,  
3 State, or local law—

4                   “(A) providing for the enforcement of con-  
5 sumer protection, or

6                   “(B) regulating any aspect of consumer  
7 transactions, including claims for unfair, decep-  
8 tive, or abusive trade or credit practices, or for  
9 other actions that cause harm to an individual  
10 by a seller or provider of property, services, se-  
11 curities or other investments, money, or credit  
12 for personal, family, or household use.”.

13           (c) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to attorney fees and court costs  
15 paid during taxable years ending after the date of the en-  
16 actment of this Act with respect to any judgment or settle-  
17 ment occurring during such taxable years.

○