

119TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to impose a tax on damages received by certain officers of the United States on account of any civil action filed against the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WYDEN (for himself, Mr. SCHUMER, Mr. LUJÁN, and Mr. WELCH) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to impose a tax on damages received by certain officers of the United States on account of any civil action filed against the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Presidential Embezzlement Act”.

1 **SEC. 2. IMPOSITION OF TAX ON DAMAGES RECEIVED BY**
2 **THE PRESIDENT OF THE UNITED STATES ON**
3 **ACCOUNT OF CIVIL ACTION FILED AGAINST**
4 **THE UNITED STATES.**

5 (a) **IN GENERAL.**—Subtitle D of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following new chapter:

8 **“CHAPTER 50B—CERTAIN CIVIL DAMAGES**
9 **RECEIVED BY CERTAIN OFFICERS OF**
10 **THE UNITED STATES**

“Sec. 5000E. Imposition of tax on damages received on account of civil action filed against the United States.

11 **“SEC. 5000E. IMPOSITION OF TAX ON DAMAGES RECEIVED**
12 **ON ACCOUNT OF CIVIL ACTION FILED**
13 **AGAINST THE UNITED STATES.**

14 “(a) **IN GENERAL.**—There is hereby imposed on each
15 covered person for any taxable year a tax equal to 100
16 percent of the qualified civil action amount received by
17 such person during such taxable year.

18 “(b) **COVERED PERSON.**—For purposes of this sec-
19 tion—

20 “(1) **IN GENERAL.**—The term ‘covered person’
21 means—

22 “(A) any individual who has served in a
23 position described in paragraph (2), and

1 “(B) any person related (within the mean-
2 ing of section 267(b)) to a person described in
3 subparagraph (A).

4 “(2) POSITION DESCRIBED.—The positions de-
5 scribed in this paragraph are the following:

6 “(A) President of the United States.

7 “(B) Vice President of the United States.

8 “(C) Any position at level I of the Execu-
9 tive Schedule under section 5312 of title 5,
10 United States Code.

11 “(D) Member of Congress (including any
12 Delegate and Resident Commissioner).

13 “(c) QUALIFIED CIVIL ACTION AMOUNT.—For pur-
14 poses of this section—

15 “(1) IN GENERAL.—The term ‘qualified civil ac-
16 tion amount’ means, with respect to any covered
17 person during any taxable year, the aggregate
18 amount of damages received by such person during
19 such taxable year (whether by settlement, verdict,
20 judgment, or otherwise) on account of any civil ac-
21 tion—

22 “(A) filed by such person against the
23 United States (or any agency or instrumentality
24 thereof), and

1 “(B) with respect to which the filing or
2 settlement of, or issuance of a verdict or judg-
3 ment for, occurred during the applicable period.

4 “(2) APPLICABLE PERIOD.—The term ‘applica-
5 ble period’ means, with respect to any covered per-
6 son, the period of time—

7 “(A) beginning with the date on which the
8 individual described in subsection (b)(1)(A)
9 began serving in a position described in sub-
10 section (b)(2)(A) , and

11 “(B) ending with the date on which such
12 individual ceased to serve in any position de-
13 scribed in subsection (b)(2)(A).

14 “(d) SPECIAL RULES.—

15 “(1) ADMINISTRATIVE PROVISIONS.—For pur-
16 poses of subtitle F, any tax imposed by this section
17 shall be treated as a tax imposed by subtitle A.

18 “(2) EXCLUSION FROM GROSS INCOME.—For
19 purposes of chapter 1, the gross income of any cov-
20 ered person for any taxable year shall not include
21 any qualified civil action amount received by such
22 person during such taxable year.”.

23 (b) NO DEDUCTION FROM INCOME TAX.—Section
24 275(a)(6) of the Internal Revenue Code of 1986 is amend-
25 ed by inserting “50B,” after “50A.”.

1 (c) CLERICAL AMENDMENT.—The table of chapters
2 for subtitle D of the Internal Revenue Code of 1986 is
3 amended by inserting after the item relating to chapter
4 50A the following new item:

“CHAPTER 50B—CERTAIN CIVIL DAMAGES RECEIVED BY CERTAIN OFFICERS
OF THE UNITED STATES”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply with respect to amounts received
7 after the date of the enactment of this Act.