

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.

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IN THE SENATE OF THE UNITED STATES

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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 \_\_\_\_\_

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**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 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 Presidential Em-  
5       bezzlement 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.