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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to impose a tax on damages received by the President 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 “Prevent Presidential
5 Profiteering 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 **OF THE PRESIDENT OF THE UNITED**
10 **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 as
23 President of the United States,

1 “(B) any member of the family of such in-
2 dividual, and

3 “(C) any person controlled (based on prin-
4 ciples similar to the principles which apply for
5 purposes of section 52(b)) by one or more indi-
6 viduals described in subparagraph (A) or (B).

7 “(2) MEMBER OF THE FAMILY.—The term
8 ‘member of the family’ means, with respect to any
9 individual described in paragraph (1)(A)—

10 “(A) the spouse of such individual, and

11 “(B) any individual who bears a relation-
12 ship to such individual which is described in
13 subparagraphs (A) through (G) of section
14 152(d)(2).

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

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

1 “(A) filed by such person against the
2 United States (or any agency or instrumentality
3 thereof), and

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

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

10 “(A) beginning with the date on which the
11 individual described in subsection (b)(1)(A)
12 began serving as President of the United
13 States, and

14 “(B) ending with the date on which such
15 individual ceased to serve as President of the
16 United States.

17 “(d) SPECIAL RULES.—

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

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

1 (b) NO DEDUCTION FROM INCOME TAX.—Section
2 275(a)(6) of the Internal Revenue Code of 1986 is amend-
3 ed by inserting “50B,” after “50A.”.

4 (c) CLERICAL AMENDMENT.—The table of chapters
5 for subtitle D of the Internal Revenue Code of 1986 is
6 amended by inserting after the item relating to chapter
7 50A the following new item:

“Chapter 50B—CERTAIN CIVIL DAMAGES OF THE PRESIDENT OF THE
UNITED STATES”.

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