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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to deny as a trade or business expense deduction amounts paid or incurred in connection with the settlement of a sexual harassment or sexual assault claim.

IN THE HOUSE OF REPRESENTATIVES

Mr. BUCK introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Internal Revenue Code of 1986 to deny as a trade or business expense deduction amounts paid or incurred in connection with the settlement of a sexual harassment or sexual assault claim.

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 “Settlement Tax Deduc-
5 tions are Over for Predators Act” or the “STOP Act”.

1 **SEC. 2. DENIAL OF DEDUCTION FOR SEXUAL HARASSMENT**
2 **SETTLEMENTS.**

3 (a) IN GENERAL.—Section 162(f) is amended—

4 (1) by striking “AND PENALTIES” and all that
5 follows through “under subsection (a) for any fine”
6 and inserting the following: “, PENALTIES, AND
7 OTHER AMOUNTS.—No deduction shall be allowed
8 under subsection (a) for any of the following:

9 “(1) Any fine”, and

10 (2) by adding at the end the following new
11 paragraph:

12 “(2) Any amount paid or incurred on account
13 of a judgment or settlement (whether by suit or
14 agreement and whether as lump sum or periodic
15 payments) originating from, or to require the non-
16 disclosure of or otherwise prevent, a claim or accusa-
17 tion of—

18 “(A) that which would constitute an of-
19 fense under chapter 109A of title 18, United
20 States Code, or

21 “(B) sexual harassment (including unwel-
22 come sexual advances, requests for sexual fa-
23 vors, or other verbal or physical harassment of
24 a sexual nature).

1 The preceding sentence shall include any amount
2 paid or incurred in connection with negotiating or
3 settling an amount described therein.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to amounts paid or incurred after
6 the date of the enactment of this Act.