

114TH CONGRESS  
1ST SESSION

# H. R. 2103

To amend the Internal Revenue Code of 1986 to expand the denial of deduction for certain excessive employee remuneration, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2015

Mr. DOGGETT (for himself, Ms. BROWNLEY of California, Mr. CICILLINE, Ms. DELAURO, Mr. ELLISON, Mr. GRIJALVA, Mr. HUFFMAN, Ms. LEE, Mr. LIPINSKI, Mr. LOWENTHAL, Mr. McDERMOTT, Mr. MCGOVERN, Ms. NORTON, Mr. POCAN, Mr. RANGEL, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Ms. TSONGAS, Mr. VAN HOLLEN, Mr. VISCLOSKY, Mr. BRADY of Pennsylvania, Mr. PASCRELL, and Ms. MOORE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to expand the denial of deduction for certain excessive employee remuneration, 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 Subsidizing Mul-  
5 timillion Dollar Corporate Bonuses Act”.

1 **SEC. 2. EXPANSION OF DENIAL OF DEDUCTION FOR CER-**  
2 **TAIN EXCESSIVE EMPLOYEE REMUNERA-**  
3 **TION.**

4 (a) APPLICATION TO ALL CURRENT AND FORMER  
5 EMPLOYEES.—

6 (1) IN GENERAL.—Section 162(m) of the Inter-  
7 nal Revenue Code of 1986 is amended—

8 (A) by striking “covered employee” each  
9 place it appears in paragraphs (1) and (4) and  
10 inserting “covered individual”, and

11 (B) by striking “such employee” each  
12 place it appears in subparagraphs (A) and (G)  
13 of paragraph (4) and inserting “such indi-  
14 vidual”.

15 (2) COVERED INDIVIDUAL.—Section 162(m)(3)  
16 of such Code is amended to read as follows:

17 “(3) COVERED INDIVIDUAL.—For purposes of  
18 this subsection, the term ‘covered individual’ means  
19 any individual who is an officer, director, or em-  
20 ployee of the taxpayer or a former officer, director,  
21 or employee of the taxpayer.”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 48D(b)(3)(A) of such Code is  
24 amended by inserting “(as in effect for taxable  
25 years beginning before January 1, 2015)” after  
26 “section 162(m)(3)”.

1           (B) Section 409A(b)(3)(D)(ii) of such  
2 Code is amended by inserting “(as in effect for  
3 taxable years beginning before January 1,  
4 2015)” after “section 162(m)(3)”.

5           (b) EXPANSION OF APPLICABLE EMPLOYEE REMU-  
6 NERATION.—

7           (1) ELIMINATION OF EXCEPTION FOR COMMIS-  
8 SION-BASED PAY.—

9           (A) IN GENERAL.—Section 162(m)(4) of  
10 such Code, as amended by subsection (a), is  
11 amended by striking subparagraph (B) and by  
12 redesignating subparagraphs (C) through (G)  
13 as subparagraphs (B) through (F), respectively.

14           (B) CONFORMING AMENDMENTS.—

15           (i) Section 162(m)(5) of such Code is  
16 amended—

17           (I) by striking “subparagraphs  
18 (B), (C), and (D) thereof” in sub-  
19 paragraph (E) and inserting “sub-  
20 paragraphs (B) and (C) thereof”, and

21           (II) by striking “subparagraphs  
22 (F) and (G)” in subparagraph (G)  
23 and inserting “subparagraphs (E) and  
24 (F)”.

1 (ii) Section 162(m)(6) of such Code is  
2 amended—

3 (I) by striking “subparagraphs  
4 (B), (C), and (D) thereof” in sub-  
5 paragraph (D) and inserting “sub-  
6 paragraphs (B) and (C) thereof”, and

7 (II) by striking “subparagraphs  
8 (F) and (G)” in subparagraph (G)  
9 and inserting “subparagraphs (E) and  
10 (F)”.

11 (2) INCLUSION OF PERFORMANCE-BASED COM-  
12 PENSATION.—

13 (A) IN GENERAL.—Section 162(m)(4) of  
14 such Code, as amended by subsection (a) and  
15 paragraph (1) of this subsection, is amended by  
16 striking subparagraph (B) and redesignating  
17 subparagraphs (C) through (F) as subpara-  
18 graphs (B) through (E), respectively.

19 (B) CONFORMING AMENDMENTS.—

20 (i) Section 162(m)(5) of such Code,  
21 as amended by paragraph (1), is amend-  
22 ed—

23 (I) by striking “subparagraphs  
24 (B) and (C) thereof” in subparagraph

1 (E) and inserting “subparagraph (B)  
2 thereof”, and

3 (II) by striking “subparagraphs  
4 (E) and (F)” in subparagraph (G)  
5 and inserting “subparagraphs (D) and  
6 (E)”.

7 (ii) Section 162(m)(6) of such Code,  
8 as amended by paragraph (1), is amend-  
9 ed—

10 (I) by striking “subparagraphs  
11 (B) and (C) thereof” in subparagraph  
12 (D) and inserting “subparagraph (B)  
13 thereof”, and

14 (II) by striking “subparagraphs  
15 (E) and (F)” in subparagraph (G)  
16 and inserting “subparagraphs (D) and  
17 (E)”.

18 (c) EXPANSION OF APPLICABLE EMPLOYER.—Sec-  
19 tion 162(m)(2) of such Code is amended to read as fol-  
20 lows:

21 “(2) PUBLICLY HELD CORPORATION.—For pur-  
22 poses of this subsection, the term ‘publicly held cor-  
23 poration’ means any corporation which is an issuer  
24 (as defined in section 3 of the Securities Exchange  
25 Act of 1934 (15 U.S.C. 78c))—

1           “(A) that has a class of securities reg-  
2           istered under section 12 of such Act (15 U.S.C.  
3           78l), or

4           “(B) that is required to file reports under  
5           section 15(d) of such Act (15 U.S.C. 780(d)).”.

6           (d) REGULATORY AUTHORITY.—

7           (1) IN GENERAL.—Section 162(m) of such  
8           Code is amended by adding at the end the following  
9           new paragraph:

10           “(7) REGULATIONS.—The Secretary may pre-  
11           scribe such guidance, rules, or regulations, including  
12           with respect to reporting, as are necessary to carry  
13           out the purposes of this subsection.”.

14           (2) CONFORMING AMENDMENT.—Section  
15           162(m)(6) of such Code is amended by striking sub-  
16           paragraph (H).

17           (e) EFFECTIVE DATE.—The amendments made by  
18           this section shall apply to taxable years beginning after  
19           December 31, 2014.

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