

115TH CONGRESS
1ST SESSION

H. R. 4495

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

NOVEMBER 30, 2017

Mr. BUCK (for himself, Mr. JODY B. HICE of Georgia, Mr. GARRETT, Mr. TAYLOR, Mr. PEARCE, Mr. JOHNSON of Louisiana, Mr. BRAT, Mr. MEADOWS, and Mr. FITZPATRICK) introduced the following bill; which was referred to the Committee on Ways and Means

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.

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