

118TH CONGRESS  
2D SESSION

# H. R. 9254

To amend the Internal Revenue Code of 1986 to exclude from gross income any judgments, awards, and settlements with respect to sexual assault or sexual harassment claims, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2024

Ms. LOIS FRANKEL of Florida (for herself and Ms. TENNEY) 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 exclude from gross income any judgments, awards, and settlements with respect to sexual assault or sexual harassment claims, 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 “Tax Fairness for Sur-  
5 vivors Act”.

1 **SEC. 2. EXEMPTING FROM FEDERAL INCOME TAXATION**  
2 **PAYMENTS ALLOCABLE TO SEXUAL ASSAULT**  
3 **OR SEXUAL HARASSMENT CLAIMS.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-  
5 ter 1 of the Internal Revenue Code of 1986 is amended  
6 by inserting before section 140 the following new section:

7 **“SEC. 139J. AMOUNTS RECEIVED AS JUDGMENTS, AWARDS,**  
8 **AND SETTLEMENTS WITH RESPECT TO SEX-**  
9 **UAL ASSAULT OR SEXUAL HARASSMENT**  
10 **CLAIMS.**

11 “Gross income shall not include any amount received  
12 in connection with a claim of unlawful discrimination (as  
13 defined in section 62(e)) (whether by lump sum or periodic  
14 payments) as a judgment, award, or settlement (including  
15 backpay, frontpay, punitive damages, or any payments  
16 made in connection with a release of claims or to resolve,  
17 settle, or litigate claims) from—

18 “(1) a dispute involving an alleged nonconsen-  
19 sual sexual act or sexual contact, as such terms are  
20 defined in section 2246 of title 18, United States  
21 Code, or similar applicable Tribal or State law, in-  
22 cluding when the victim lacks capacity to consent, or

23 “(2) a dispute relating to conduct that is al-  
24 leged to constitute sexual harassment under applica-  
25 ble Federal, Tribal, or State law.”.

1 (b) SOCIAL SECURITY TAXES.—Section 3121(a) of  
2 such Code is amended by striking “or” at the end of para-  
3 graph (22), by striking the period at the end of paragraph  
4 (23) and inserting “; or”, and by inserting after para-  
5 graph (23) the following new paragraph:

6 “(24) any amount received which is excludable  
7 from the gross income of the employee under section  
8 139J.”.

9 (c) RAILROAD RETIREMENT TAX.—Section 3231(e)  
10 of such Code is amended by adding at the end the fol-  
11 lowing new paragraph:

12 “(13) AMOUNTS RECEIVED AS JUDGMENTS,  
13 AWARDS, AND SETTLEMENTS WITH RESPECT TO  
14 SEXUAL ASSAULT OR SEXUAL HARASSMENT  
15 CLAIMS.—The term ‘compensation’ shall not include  
16 any amount received which is excludable from the  
17 gross income of the employee under section 139J.”.

18 (d) UNEMPLOYMENT TAXES.—Section 3306(b) of  
19 such Code is amended by striking “or” at the end of para-  
20 graph (19), by striking the period at the end of paragraph  
21 (20) and inserting “, or”, and by inserting after para-  
22 graph (20) the following new paragraph:

23 “(21) any amount received which is excludable  
24 from the gross income of the employee under section  
25 139J.”.

1           (e) WAGE WITHHOLDING.—Section 3401 of such  
2 Code is amended by striking “or” at the end of paragraph  
3 (22), by striking the period at the end of paragraph (23)  
4 and inserting “, or”, and by inserting after paragraph  
5 (23) the following new paragraph:

6           “(24) any amount received which is excludable  
7 from the gross income of the employee under section  
8 139J.”.

9           (f) CLERICAL AMENDMENT.—The table of sections  
10 for part III of subchapter B of chapter 1 of the Internal  
11 Revenue Code of 1986 is amended by inserting before the  
12 item relating to section 140 the following new item:

“Sec. 139J. Amounts received as judgments, awards, and settlements with respect to sexual assault or sexual harassment claims.”.

13           (g) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning after  
15 the date of the enactment of this Act.

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