

111TH CONGRESS  
1ST SESSION

# S. 2842

To amend the Internal Revenue Code of 1986 to deny the deduction for direct to consumer advertising expenses for prescription pharmaceuticals and to provide a deduction for fees paid for the participation of children in certain organizations which promote physical activity.

---

## IN THE SENATE OF THE UNITED STATES

DECEMBER 7, 2009

Mr. BEGICH introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to deny the deduction for direct to consumer advertising expenses for prescription pharmaceuticals and to provide a deduction for fees paid for the participation of children in certain organizations which promote physical activity.

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. DISALLOWANCE OF DEDUCTION FOR DIRECT**  
4 **TO CONSUMER ADVERTISING EXPENSES FOR**  
5 **PRESCRIPTION PHARMACEUTICALS.**

6 (a) IN GENERAL.—Part IX of subchapter B of chap-  
7 ter 1 of subtitle A of the Internal Revenue Code of 1986

1 (relating to items not deductible) is amended by adding  
 2 at the end the following new section:

3 **“SEC. 280I. DISALLOWANCE OF DEDUCTION FOR DIRECT TO**  
 4 **CONSUMER ADVERTISING EXPENSES FOR**  
 5 **PRESCRIPTION PHARMACEUTICALS.**

6 “No deduction shall be allowed under this chapter for  
 7 expenses relating to direct to consumer advertising in any  
 8 media for the sale and use of prescription pharmaceuticals  
 9 for any taxable year.”.

10 (b) CONFORMING AMENDMENT.—The table of sec-  
 11 tions for such part IX of the Internal Revenue Code of  
 12 1986 is amended by adding after the item relating to sec-  
 13 tion 280H the following new item:

“Sec. 280I. Disallowance of deduction for direct to consumer advertising ex-  
 penses for prescription pharmaceuticals.”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to amounts paid or incurred after  
 16 the date of the enactment of this Act, in taxable years  
 17 ending after such date.

18 **SEC. 2. PHYSICAL LIFESTYLES FOR AMERICA’S YOUTH**  
 19 **(PLAY) DEDUCTION.**

20 (a) IN GENERAL.—Part VII of subchapter B of chap-  
 21 ter 1 of the Internal Revenue Code of 1986 is amended  
 22 by redesignating section 224 as section 225 and inserting  
 23 after section 223 the following new section:

1 **“SEC. 224. FEES FOR ORGANIZATIONS PROMOTING CHIL-**  
2 **DREN’S PHYSICAL ACTIVITY.**

3 “(a) GENERAL RULE.—There shall be allowed as a  
4 deduction under this chapter an amount equal to the less-  
5 er of—

6 “(1) the amount paid or incurred by the tax-  
7 payer during the taxable year for the participation  
8 of a qualifying child (as defined in section 152(c))  
9 of the taxpayer in a qualified organization, or

10 “(2) \$500.

11 “(b) LIMITATIONS.—

12 “(1) IN GENERAL.—No deduction shall be al-  
13 lowed under subsection (a) with respect to any tax-  
14 payer whose adjusted gross income for the taxable  
15 year exceeds \$250,000.

16 “(2) ADJUSTED GROSS INCOME.—For purposes  
17 of this subsection, adjusted gross income shall be de-  
18 termined—

19 “(A) without regard to this section and  
20 sections 199, 911, 931, and 933, and

21 “(B) after the application of sections 86,  
22 135, 137, 219, 221, 222, and 469.

23 “(c) QUALIFIED ORGANIZATION.—For purposes of  
24 this section, the term ‘qualified organization’ means any  
25 other organization the principal activities of which are de-  
26 signed to promote or provide for the physical activity of

1 children, as determined under guidelines published by the  
2 Secretary in consultation with the Secretary of Health and  
3 Human Services.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
5 for part VII of subchapter B of chapter 1 of such Code  
6 is amended by redesignating the item relating to section  
7 224 as relating to section 225 and inserting after the item  
8 relating to section 223 the following new item:

“Sec. 224. Fees for organizations promoting children’s physical activity.”.

9 (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to taxable years beginning after  
11 the date of the enactment of this Act.

○