



(Original Signature of Member)

118TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

Ms. LOIS FRANKEL of Florida introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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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.”.

