

118TH CONGRESS  
2D SESSION

# H. R. 7418

To amend the Internal Revenue Code of 1986 to exclude from gross income certain compensation to clinical trial participants.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 20, 2024

Mr. KELLY of Pennsylvania (for himself and Ms. HOULAHAN) 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 certain compensation to clinical trial participants.

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. EXCLUSION OF COMPENSATION PROVIDED TO**  
4 **PARTICIPANTS IN CLINICAL TRIALS.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-  
6 ter 1 of the Internal Revenue Code of 1986 is amended  
7 by inserting after section 139I the following new section:

1 **“SEC. 139J. CLINICAL TRIAL PAYMENTS.**

2 “(a) IN GENERAL.—Gross income shall not include  
3 any amount received by an individual as a qualified clinical  
4 trial payment.

5 “(b) QUALIFIED CLINICAL TRIAL PAYMENT DE-  
6 FINED.—For purposes of this section, the term ‘qualified  
7 clinical trial payment’ means any amount paid to an indi-  
8 vidual—

9 “(1) as compensation for participation by the  
10 individual or a dependent of the individual in an ap-  
11 proved clinical trial, or

12 “(2) to reimburse or pay reasonable and nec-  
13 essary expenses incurred in connection with partici-  
14 pation by the individual or a dependent of the indi-  
15 vidual in an approved clinical trial.

16 “(c) OTHER DEFINITIONS.—For purposes of this  
17 section—

18 “(1) APPROVED CLINICAL TRIAL.—The term  
19 ‘approved clinical trial’ has the meaning given such  
20 term in section 2709(d)(1) of the Public Health  
21 Service Act (42 U.S.C. 300gg–8(d)(1)), determined  
22 by applying ‘disease or condition’ for ‘life-threat-  
23 ening disease or condition’.

24 “(2) DEPENDENT.—The term ‘dependent’ has  
25 the meaning given such term in section 152.”.

1           (b) CLERICAL AMENDMENT.—The table of sections  
2 for part III of subchapter B of chapter 1 of such Code  
3 is amended by inserting after the item relating to section  
4 139I the following new item:

“Sec. 139J. Clinical trial payments.”.

5           (c) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to amounts paid after December  
7 31, 2023.

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