

119TH CONGRESS
2D SESSION

S. 5127

To amend the Internal Revenue Code of 1986 to exclude from gross income certain compensation to clinical trial participants, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2026

Mr. BANKS (for himself and Ms. CORTEZ MASTO) 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 exclude from gross income certain compensation to clinical trial participants, 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 “Harley Jacobsen Clin-
5 ical Trial Participant Income Exemption Act of 2026”.

6 **SEC. 2. EXCLUSION OF COMPENSATION PROVIDED TO PAR-**
7 **TICIPANTS IN CLINICAL TRIALS.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended
10 by inserting after section 139L the following new section:

1 **“SEC. 139M. 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 substituting ‘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 139L the following new item:

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

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to amounts paid after December
 7 31, 2025.

8 **SEC. 3. CLINICAL TRIAL COMPENSATION NOT TAKEN INTO**
 9 **ACCOUNT FOR PURPOSES OF DETERMINING**
 10 **ELIGIBILITY FOR FEDERAL PROGRAMS OR**
 11 **ASSISTANCE.**

12 (a) IN GENERAL.—Notwithstanding any other provi-
 13 sion of law, any amount received by an individual as a
 14 qualified clinical trial payment shall not be taken into ac-
 15 count as income or resources for purposes of determining
 16 the eligibility of such individual (or any other individual)
 17 for benefits or assistance (or the amount or extent of bene-
 18 fits or assistance) under any Federal program or under
 19 any State or local program financed in whole or in part
 20 with Federal funds.

21 (b) QUALIFIED CLINICAL TRIAL PAYMENT.—For
 22 purposes of subsection (a), the term “qualified clinical
 23 trial payment” has the meaning given such term in section

1 139M(b) of the Internal Revenue Code of 1986 (as added
2 by section 2 of this Act).

○