

105TH CONGRESS
1ST SESSION

H. R. 2802

To amend the Internal Revenue Code of 1986 to restore the exclusion from gross income for damage awards for emotional distress.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 4, 1997

Mr. FRANK of Massachusetts (for himself, Mr. DELAHUNT, Ms. CARSON, and Mr. FROST) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to restore the exclusion from gross income for damage awards for emotional distress.

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. RESTORATION OF EXCLUSION FROM GROSS IN-**
4 **COME FOR DAMAGE AWARDS FOR EMO-**
5 **TIONAL DISTRESS.**

6 (a) IN GENERAL.—Subsection (a) of section 104 of
7 the Internal Revenue Code of 1986 (relating to compensa-
8 tion for injuries or sickness) is amended—

1 (1) by striking “physical” each place it appears
2 in paragraph (2), and

3 (2) by striking the last 2 sentences and insert-
4 ing the following new sentence: “For purposes of
5 paragraph (2), the term ‘personal injuries or sick-
6 ness’ includes emotional distress.”

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to amounts received after De-
9 cember 31, 1996, in taxable years ending after such date.

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