

109TH CONGRESS  
1ST SESSION

# H. R. 3180

To amend the Internal Revenue Code of 1986 to allow a deduction for  
qualified attorney fees in computing minimum tax.

---

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2005

Mr. PAUL 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 allow a  
deduction for qualified attorney fees in computing min-  
imum tax.

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. DEDUCTION ALLOWED IN COMPUTING MIN-**  
4       **IMUM TAX.**

5       (a) IN GENERAL.—Section 212 of the Internal Rev-  
6       enue Code of 1986 (relating to expenses for production  
7       of income) is amended to read as follows:

8       **“SEC. 212. EXPENSES FOR PRODUCTION OF INCOME.**

9       “(a) ALLOWANCE OF DEDUCTION.—In the case of an  
10      individual, there shall be allowed as a deduction all the

1 ordinary and necessary expenses paid or incurred during  
2 the taxable year—

3 “(1) for the production or collection of income,

4 “(2) for the management, conservation, or  
5 maintenance of property held for the production of  
6 income, or

7 “(3) in connection with the determination, col-  
8 lection, or refund of any tax.

9 “(b) QUALIFIED ATTORNEY FEES.—For purposes of  
10 this section—

11 “(1) ALLOWANCE OF DEDUCTION.—The ordi-  
12 nary and necessary expenses paid or incurred for the  
13 production or collection of income (referred to in  
14 subsection (a)(1)) include qualified attorney fees.

15 “(2) DEDUCTION ALLOWED IN COMPUTING  
16 MINIMUM TAX.—The deduction under subsection (a)  
17 for qualified attorney fees shall be allowed for pur-  
18 poses of the tax imposed by section 55.

19 “(3) QUALIFIED ATTORNEY FEES.—The term  
20 ‘qualified attorney fees’ means attorney fees and  
21 court costs paid by, or on behalf of, the taxpayer in  
22 connection with any judgment or settlement (wheth-  
23 er by suit or agreement and whether as lump sum  
24 or periodic payments) resulting from a civil action  
25 brought by the taxpayer in a court of law.”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2004.

