

112TH CONGRESS  
2D SESSION

# H. R. 4376

To amend the Internal Revenue Code of 1986 to deny all deductions for business expenses associated with the use of a club that discriminates on the basis of sex, race, or color.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2012

Mrs. MALONEY 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 deny all deductions for business expenses associated with the use of a club that discriminates on the basis of sex, race, or color.

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 “Ending Tax Breaks  
5 for Discrimination Act of 2012”.

1 **SEC. 2. DENIAL OF DEDUCTION FOR BUSINESS EXPENSES**  
2 **FOR USE OF CLUB THAT DISCRIMINATES ON**  
3 **BASIS OF SEX, RACE, OR COLOR.**

4 (a) IN GENERAL.—Section 162 of the Internal Rev-  
5 enue Code of 1986 (relating to trade or business expenses)  
6 is amended by redesignating subsection (q) as subsection  
7 (r) and by inserting after subsection (p) the following new  
8 subsection:

9 “(q) DENIAL OF DEDUCTION FOR USE OF CLUB  
10 THAT DISCRIMINATES ON BASIS OF SEX, RACE, OR  
11 COLOR; DENIAL OF DEDUCTION FOR CERTAIN ADVER-  
12 TISING EXPENSES.—

13 “(1) IN GENERAL.—No deduction shall be al-  
14 lowed under this section for any amount paid or in-  
15 curred—

16 “(A) to any private discriminatory club,

17 “(B) for the use of services or facilities of  
18 any private discriminatory club, or

19 “(C) for transportation, meals, lodging,  
20 and other traveling expenses (not described in  
21 subparagraph (A) or (B)) incurred in connec-  
22 tion with such use.

23 “(2) ADVERTISING EXPENSES.—No deduction  
24 shall be allowed under this section for any amount  
25 paid or incurred for—

1           “(A) advertising of any event held at any  
2           facility of a discriminatory club, or

3           “(B) advertising for any product or service  
4           if the advertising occurs on any broadcast  
5           media during, or in association with, such me-  
6           dia’s coverage of any such an event.

7           “(3) PRIVATE DISCRIMINATORY CLUB.—For  
8           purposes of this subsection, the term ‘private dis-  
9           criminatory club’ means any club organized for busi-  
10          ness, pleasure, recreation, or other social purpose if  
11          such club restricts its membership or the use of its  
12          services or facilities on the basis of sex, race, or  
13          color.

14          “(4) RECEIPTS TO STATE NONDEDUCTIBILITY  
15          OF EXPENSES.—All receipts for any expense which  
16          is not allowed as a deduction under this section by  
17          reason of subsection (a) shall include the following  
18          statement: ‘The expenditures covered by this receipt  
19          are nondeductible for Federal income tax pur-  
20          poses.’”.

21          (b) EFFECTIVE DATE.—The amendments made by  
22          this section shall apply to amounts paid or incurred after  
23          the date of the enactment of this Act.

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