

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 9075

To amend the Internal Revenue Code of 1986 to impose a tax on payments received from any settlement fund established as a result of a civil action filed by the President of the United States against the Internal Revenue Service.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 29, 2026

Mr. POCAN 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 impose a tax on payments received from any settlement fund established as a result of a civil action filed by the President of the United States against the Internal Revenue Service.

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 “Tax the Grift Act”.

1 **SEC. 2. IMPOSITION OF TAX ON QUALIFIED SETTLEMENT**  
 2 **FUND PAYMENTS.**

3 (a) IN GENERAL.—Subtitle D of the Internal Rev-  
 4 enue Code of 1986 is amended by adding at the end the  
 5 following new chapter:

6 **“CHAPTER 50B—QUALIFIED SETTLEMENT**  
 7 **FUND PAYMENTS**

“Sec. 5000E. Imposition of tax on qualified settlement fund payments.

8 **“SEC. 5000E. IMPOSITION OF TAX ON QUALIFIED SETTLE-**  
 9 **MENT FUND PAYMENTS.**

10 “(a) IN GENERAL.—There is hereby imposed on any  
 11 taxpayer for any taxable year a tax equal to 100 percent  
 12 of any qualified settlement fund payment received by such  
 13 taxpayer during such taxable year.

14 “(b) QUALIFIED SETTLEMENT FUND PAYMENT.—  
 15 For purposes of this section, the term ‘qualified settlement  
 16 fund payment’ means, with respect to any taxpayer for  
 17 any taxable year, any amount received by such taxpayer  
 18 during such taxable year from any fund established as a  
 19 result of a civil action filed by the President of the United  
 20 States against the Internal Revenue Service.

21 “(c) SPECIAL RULES.—

22 “(1) ADMINISTRATIVE PROVISIONS.—For pur-  
 23 poses of subtitle F, any tax imposed by this section  
 24 shall be treated as a tax imposed by subtitle A.

1           “(2) EXCLUSION FROM GROSS INCOME.—For  
2 purposes of chapter 1, the gross income of any tax-  
3 payer for any taxable year shall not include any  
4 qualified settlement fund payment received by such  
5 taxpayer during such taxable year.”.

6           (b) NO DEDUCTION FROM INCOME TAX.—Section  
7 275(a)(6) of such Code is amended by inserting “50B,”  
8 after “50A.”.

9           (c) CLERICAL AMENDMENT.—The table of chapters  
10 for subtitle D of such Code is amended by inserting after  
11 the item relating to chapter 50A the following new item:

          “Chapter 50B—QUALIFIED SETTLEMENT FUND PAYMENTS.”.

12           (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply with respect to amounts received  
14 after the date of the enactment of this Act.

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