

119TH CONGRESS
2D SESSION

S. 4616

To amend the Internal Revenue Code of 1986 to impose a tax on specified settlement fund payments, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2026

Mr. WYDEN (for himself and Mr. SCHUMER) 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 impose a tax on specified settlement fund payments, 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 “Stop Letting United
5 States Heads Funnel Unauthorized Nontransparent Dol-
6 lars Act of 2026” or the “SLUSH FUND Act of 2026”.

1 **SEC. 2. IMPOSITION OF TAX ON SPECIFIED 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—SPECIFIED SETTLEMENT**
 7 **FUND PAYMENTS**

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

8 **“SEC. 5000E. IMPOSITION OF TAX ON SPECIFIED 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 specified settlement fund payment received by such
 13 taxpayer during such taxable year.

14 “(b) SPECIFIED SETTLEMENT FUND PAYMENT.—
 15 For purposes of this section—

16 “(1) IN GENERAL.—The term ‘specified settle-
 17 ment fund payment’ means, with respect to any tax-
 18 payer for any taxable year, any amount received by
 19 such taxpayer during such taxable year from any
 20 fund, trust, or account the assets of which are de-
 21 rived from the outcome (whether by settlement, ver-
 22 dict, or otherwise) of any civil action which was filed
 23 by a specified person against the United States (or
 24 any agency or instrumentality thereof).

25 “(2) SPECIFIED PERSON.—

1 “(A) IN GENERAL.—The term ‘specified
2 person’ means—

3 “(i) any individual who has served as
4 President of the United States,

5 “(ii) any member of the family of
6 such individual, and

7 “(iii) any person controlled (based on
8 principles similar to the principles which
9 apply for purposes of section 52(b)) by one
10 or more individuals described in clause (i)
11 or (ii).

12 “(B) MEMBER OF THE FAMILY.—The
13 term ‘member of the family’ means, with re-
14 spect to any individual described in subpara-
15 graph (A)(i)—

16 “(i) the spouse of such individual, and

17 “(ii) any individual who bears a rela-
18 tionship to such individual which is de-
19 scribed in subparagraphs (A) through (G)
20 of section 152(d)(2).

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 (1) The table of chapters for subtitle D of such
2 Code is amended by adding at the end the following
3 new item:

“Chapter 50B—SPECIFIED SETTLEMENT FUND PAYMENTS”.

4 (2) The table of sections for part I of sub-
5 chapter A of chapter 68 of such Code is amended by
6 adding at the end the following new item:

“Sec. 6660. Failure to pay tax on specified settlement fund payments.”.

7 (e) EFFECTIVE DATES.—

8 (1) IN GENERAL.—Except as provided by para-
9 graph (2), the amendments made by this section
10 shall apply with respect to amounts received on or
11 after May 20, 2026.

12 (2) FAILURE TO PAY TAX ON SPECIFIED SET-
13 TLEMENT FUND PAYMENTS.—The amendment made
14 by subsection (e) shall apply with respect to taxable
15 years ending on or after May 20, 2026.

16 **SEC. 3. RETURNS RELATING TO SPECIFIED SETTLEMENT**
17 **FUND PAYMENTS.**

18 (a) IN GENERAL.—Subpart B of part III of sub-
19 chapter A of chapter 61 of the Internal Revenue Code of
20 1986 is amended by adding at the end the following new
21 section:

1 **“SEC. 6050BB. RETURNS RELATING TO SPECIFIED SETTLE-**
2 **MENT FUND PAYMENTS.**

3 “(a) REQUIREMENT OF REPORTING.—Every trustee,
4 administrator, or other fiduciary who makes any specified
5 settlement fund payment (as defined in section 5000E(b))
6 to any taxpayer during any taxable year shall make a re-
7 turn, according to the forms and regulations prescribed
8 by the Secretary, setting forth—

9 “(1) the aggregate amount of such payments
10 received by such taxpayer during such taxable year,
11 and

12 “(2) the name and address of such taxpayer.

13 “(b) STATEMENTS TO BE FURNISHED WITH RE-
14 SPECT TO WHOM INFORMATION IS REQUIRED.—Every
15 person required to make a return under subsection (a)
16 shall furnish to each taxpayer whose name is required to
17 be set forth in such return a written statement—

18 “(1) showing the identity of the trustee, admin-
19 istrator, or other fiduciary making the specified set-
20 tlement fund payment,

21 “(2) showing the aggregate amount of such
22 payments received by such taxpayer required to be
23 shown on the return, and

24 “(3) notifying that such payments are subject
25 to the tax imposed by section 5000E(a).

1 The written statement required under the preceding sen-
2 tence shall be furnished to the taxpayer on or before Janu-
3 ary 31 of the year following the taxable year for which
4 the return under subsection (a) was required to be made.

5 “(c) PUBLIC DISCLOSURE OF RETURNS.—The Sec-
6 retary shall, not later than 1 month following receipt of
7 a return under subsection (a), make such return publicly
8 available (in such form and manner as the Secretary de-
9 termines appropriate).”.

10 (b) FAILURE TO FILE RETURN WITH RESPECT TO
11 SPECIFIED SETTLEMENT FUND PAYMENTS.—Section
12 6652 of such Code is amended by adding at the end the
13 following new subsection:

14 “(q) FAILURE TO FILE RETURN WITH RESPECT TO
15 SPECIFIED SETTLEMENT FUND PAYMENTS.—In the case
16 of any failure to make a return required under section
17 6050BB which contains the information required by such
18 section on the date prescribed therefor, unless it is shown
19 that such failure is due to reasonable cause, there shall
20 be paid (on notice and demand by the Secretary and in
21 the same manner as tax) by the person failing to file such
22 return, an amount equal to \$10,000 for each such fail-
23 ure.”.

24 (c) CLERICAL AMENDMENT.—The table of sections
25 for subpart B of part III of subchapter A of chapter 61

1 of such Code is amended by adding at the end the fol-
2 lowing new item:

“Sec. 6050BB. Returns relating to specified settlement fund payments.”.

3 (d) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided by para-
5 graph (2), the amendments made by this section
6 shall apply with respect to amounts paid on or after
7 May 20, 2026.

8 (2) FAILURE TO FILE RETURN WITH RESPECT
9 TO SPECIFIED SETTLEMENT FUND PAYMENTS.—The
10 amendment made by subsection (b) shall apply with
11 respect to taxable years ending on or after May 20,
12 2026.

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