

On Saturday, I stood above Lahaina, and for a moment—the briefest of moments—in the darkness, the town almost looked normal. Immediately, you realize that something is missing: no warm glow from homes and businesses, no kids riding bikes, and no neighbors gathering in garages.

The people of Lahaina were not counting on that day. They did not seek or ask to lose their homes, their businesses, their livelihoods, their history, or their loved ones.

They should be able to count on this: that every dollar and every resource meant to help them rebuild, recover, and return home stays with them in their pockets, not in government coffers.

As I stand here today wearing Doug's pin above my heart, I know he is up there smiling right now. Doug believed recovery should not come with a tax bill, and the Doug LaMalfa Federal Disaster Tax Relief Certainty Act makes sure of that.

As we all know too well, the burden of those touched by fire, flood, hurricane, tornado, or disaster is already too much to bear. It is already far too heavy. We should not be making it heavier.

Mr. Speaker, for my constituents, and disaster and wildfire survivors everywhere, let's stand with them in this moment and every moment to come. Let's show them some aloha. Let's make sure that we all vote "yes" on this bill.

Mr. SMITH of Missouri. Mr. Speaker, I am prepared to close, and I reserve the balance of my time.

Mr. THOMPSON of California. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, this bill is about basic fairness. When Americans lose their homes to wildfires or other disasters, the last thing they should face is a tax bill on the help they received to rebuild that home.

My constituents in northern California had to fight for that relief. Families in Los Angeles should not have to do the same, nor should they in Colorado, Hawaii, or anyplace else.

Let's pass this bill today and then do the work to make these protections permanent so no disaster victim has to come back to Congress for relief ever again.

Mr. Speaker, this legislation is rightfully named after our former colleague and friend, Doug LaMalfa, who worked hard to protect his fire victims. We should pass this bill.

Mr. Speaker, I urge everyone to vote "yes," and I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, in 2024, Congress acted to provide critical tax relief for Americans hit hard by natural disasters. The goal was clear: Provide relief to those who need it most.

With this legislation before us today, we have the opportunity to continue

ensuring victims of natural disasters, including wildfires, continue to receive the relief that they deserve and the resources they desperately need to recover and rebuild.

I thank Representative STEUBE for this bill and for his hard work to appropriately pay tribute to our late colleague, Mr. LaMalfa, on an issue that was such a passion for him.

Mr. Speaker, I encourage my colleagues to support this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HURD of Colorado). The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 5366, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SURVIVOR JUSTICE TAX PREVENTION ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2347) to amend the Internal Revenue Code of 1986 to exclude from gross income any damages, other than punitive damages, received on account of any sexual acts or sexual contact, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Survivor Justice Tax Prevention Act".

SEC. 2. EXCLUSION FROM GROSS INCOME OF ANY DAMAGES, OTHER THAN PUNITIVE DAMAGES, RECEIVED ON ACCOUNT OF SEXUAL ACTS OR SEXUAL CONTACT.

(a) IN GENERAL.—Section 104(a)(2) of the Internal Revenue Code of 1986 is amended by striking "on account of personal physical injuries or physical sickness;" and inserting "on account of—

"(A) personal physical injuries or physical sickness, or

"(B) any sexual act (as defined in paragraph (2) of section 2246 of title 18, United States Code, as in effect on the date of the enactment of this subparagraph) or sexual contact (as defined in paragraph (3) of such section, as so in effect), whether or not there are medical records or observable injuries of such act or contact;"

(b) BURDEN OF PROOF WITH RESPECT TO WHETHER DAMAGES ARE ON ACCOUNT OF SEXUAL ACT OR SEXUAL CONTACT.—Section 104 of such Code is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) BURDEN OF PROOF WITH RESPECT TO WHETHER DAMAGES ARE ON ACCOUNT OF SEXUAL ACT OR SEXUAL CONTACT.—For purposes of subsection (a)(2), if a decision or agreement states that any damages received therefrom are on account of a sexual act or sexual contact referred to in subsection (a)(2)(B)—

"(1) such statement shall be treated as credible evidence that such damages are so on account for purposes of section 7491(a), and

"(2) the taxpayer shall be treated as having met the requirements of section 7491(a)(2) with respect to the issue of whether such damages are so on account."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to amounts received pursuant to decisions made, and agreements entered into, after the date of the enactment of this Act.

(2) SPECIAL RULE FOR DECISIONS.—For purposes of paragraph (1), a decision shall be treated as made after the date of the enactment of this Act if the first payment pursuant to such decision is received after such date.

(3) SPECIAL RULE FOR AGREEMENTS.—For purposes of paragraph (1), an agreement shall not be treated as entered into after the date of the enactment of this Act if such agreement replaces, supersedes, or revises an agreement entered into on or before such date.

(d) NO INFERENCE WITH RESPECT TO EFFECT OF MEDICAL RECORDS OR OBSERVABLE INJURIES ON DETERMINATIONS WITH RESPECT TO PERSONAL PHYSICAL INJURIES OR PHYSICAL SICKNESS.—No inference may be drawn from the amendment made by subsection (a) (or from section 104(a)(2)(B) of the Internal Revenue Code of 1986, as amended by subsection (a)) with respect to whether the term "personal physical injuries or physical sickness" as used in section 104(a)(2) of such Code includes injuries or sickness with respect to which there are no medical records or observable injuries.

(e) PROMOTION OF PUBLIC AWARENESS OF EXCLUSION.—The Secretary of the Treasury (or the Secretary's delegate), in consultation with the Department of Justice Office on Violence Against Women and other relevant Federal agencies, shall conduct a program to promote public awareness of the exclusion from gross income provided by section 104(a)(2)(B) of the Internal Revenue Code of 1986, as amended by this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentleman from Wisconsin (Ms. MOORE) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and submit extraneous material on this bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I rise in support of H.R. 2347, the Survivor Justice Tax Prevention Act, bipartisan legislation introduced by Representatives LLOYD SMUCKER and GWEN MOORE.

Survivors of sexual assault face a long road to recovery without having to battle with the IRS over keeping the compensatory damages or settlements that they receive.

Unfortunately, right now, the burden of proof that a sexual assault survivor would have to provide to the IRS, including medical records to prove that they deserve to have their settlement funds excluded from gross income for tax purposes, ignores the fact that such victims often do not have the same observable physical injuries that other victims of assault might have.

Mr. Speaker, this clarification in law is desperately needed. I thank Representatives SMUCKER and MOORE for the true compassion they have shown in fighting to right this wrong for victims of sexual assault.

Mr. Speaker, I reserve the balance of my time.

Ms. MOORE of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to start out by thanking Chairman SMITH and Ranking Member NEAL for bringing this important bill to the floor for consideration during Sexual Assault Awareness Month.

As a survivor of sexual assault, I thank Mr. SMUCKER for teaming up with me to develop this important legislation that supports victims of sexual abuse who so often have no voice.

Mr. Speaker, at its core, this bill is about fairness, dignity, and justice for survivors.

I really don't have to go into detail about the problem that our Nation and, indeed, even this institution have with sexual abuse and assault.

Currently, settlement payments for sexual assault survivors are made on account of personal physical injuries or physical sickness, and they are excluded from gross Federal income and, therefore, not subject to taxation.

We all know that sexual abuse doesn't just cause physical harm. There is indelible mental harm that is caused by sexual assault. Yet, these survivors face challenges proving that sexual assault resulted in physical injuries because they don't have evidence of so-called "observable bodily harm" and have been denied the tax exemption.

Our bill, the Survivor Justice Tax Prevention Act, which I am, again, so proud to lead with Representative LLOYD SMUCKER, addresses this situation by allowing a tax exemption for all harms caused by sexual abuse.

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Because the harm is real and lasting, even when it is not visible, we are working to ensure the survivors do not have to be retraumatized by proving so-called observable bodily harm or having to produce deeply personal records or to be abused on a settlement on which they have to pay taxes.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SMUCKER), who is the sponsor of this legislation and who has done great bipartisan work in advancing a much-needed solution to support survivors of sexual assault.

Mr. SMUCKER. Mr. Speaker, I thank Chairman SMITH for the time and also for bringing this bill up to the Ways and Means Committee.

I thank Ms. MOORE for working with me cosponsoring and introducing this bill, and I thank the members of the

Ways and Means Committee who supported this on a unanimous basis because they realize the injustice that is occurring today in the way the IRS is applying the current tax code.

I think the chairman and Ms. MOORE both have described it really well. The core problem here, first of all, we believe our current law already says that any victim of physical abuse and any victim of sexual abuse who receives a settlement does not owe tax on that settlement, which makes complete sense. If you think of the trauma that these individuals have gone through, Mr. Speaker, if you think of the work they are doing to rebuild their lives, the last thing we should be doing is taking a portion of that settlement that they so desperately need to rebuild their lives for tax purposes. The law already says that settlement is not taxed.

However, the way the IRS has applied this, they require a proof of observable physical harm like bruises, cuts, or some other apparent evidence of damages to qualify that settlement as tax-free.

As you can imagine, Mr. Speaker, sexual violence doesn't always leave visible scars.

As a result, survivors who have already endured unimaginable trauma can face a second injustice under the current law or the way that the IRS is applying the law, and that is by being taxed on their compensation simply because their suffering doesn't meet some arbitrary standard.

Our bill fixes that problem. It fixes that injustice, and it helps these victims. It does it in a targeted way. It clarifies that payments related to sexual assault automatically are treated as tax exempt. This ensures that survivors are treated fairly and they are treated consistently under the law.

H.R. 2347 is about dignity. It is about clarity, and it is about making sure that survivors receive justice, not a tax bill, from the IRS.

I thank, again, the chairman, the leader, for bringing this bill up for a vote on the floor.

Mr. Speaker, I urge my colleagues to support this bill. Once again, I thank Representative GWEN MOORE for her partnership on this important issue.

Ms. MOORE of Wisconsin. Mr. Speaker, I have no further speakers, and I yield myself the balance of my time to close.

Mr. Speaker, I will start by acknowledging the very passionate words of my cosponsor, Mr. SMUCKER. I am so pleased that he took this on with such generosity and passion.

Mr. Speaker, we hear all the time about the high-profile civil cases involving sexual abuse. I am thinking about the accounts of trusted gymnast physicians abusing star athletes and the victims of Jeffrey Epstein and many of his associates. We even hear about sexual assault that occurs within our own body, and we have to address that problem.

Let's just take a moment to acknowledge that all sexual abuse does not make the headlines. Every time a survivor comes forward, it takes extraordinary courage in the face of personal risk, scrutiny, and cost.

The Survivor Justice Tax Prevention Act takes a belt-and-suspenders approach to ensure that settlement payments, whether arising from a court judgment, private arbitration or mediation, that are made on account of sexual abuse are not subject to taxation.

Mr. Speaker, I urge my colleagues in the House to support this effort to make the tax code better serve all survivors who receive settlements after prevailing against their abusers by not saddling them with a tax bill or having to fight the IRS.

We need to get this fix passed into law. I am so pleased to be standing here in this Chamber and asking for a vote by suspension of the rules. We need to pass this into law to ensure fair treatment of the tax law, dignity in the face of undue administrative burdens, and justice for survivors who prevail against their abusers.

Mr. Speaker, I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, it is disturbing to think that the IRS is allowed to tax survivors of sexual assault on the compensatory damages or the settlements that they have received. Such victims should not have to relitigate their case before the agency, adding insult to the injuries that they have already suffered.

I encourage my colleagues to support this great piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 2347, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SUPPORTING EARLY-CHILDHOOD EDUCATORS' DEDUCTIONS ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5334) to amend the Internal Revenue Code of 1986 to allow early childhood educators to take the educator expense deduction, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Supporting Early-childhood Educators' Deductions Act" or the "SEED Act".

SEC. 2. EDUCATOR EXPENSE DEDUCTION TO INCLUDE EARLY CHILDHOOD EDUCATORS.

(a) IN GENERAL.—Section 62(d)(1) of the Internal Revenue Code of 1986 is amended—