

114TH CONGRESS
1ST SESSION

H. R. 2103

To amend the Internal Revenue Code of 1986 to expand the denial of deduction for certain excessive employee remuneration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2015

Mr. DOGGETT (for himself, Ms. BROWNLEY of California, Mr. CICILLINE, Ms. DELAURO, Mr. ELLISON, Mr. GRIJALVA, Mr. HUFFMAN, Ms. LEE, Mr. LIPINSKI, Mr. LOWENTHAL, Mr. McDERMOTT, Mr. MCGOVERN, Ms. NORTON, Mr. POCAN, Mr. RANGEL, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Ms. TSONGAS, Mr. VAN HOLLEN, Mr. VISCLOSKY, Mr. BRADY of Pennsylvania, Mr. PASCRELL, and Ms. MOORE) 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 expand the denial of deduction for certain excessive employee remuneration, 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 Subsidizing Mul-
5 timillion Dollar Corporate Bonuses Act”.

1 **SEC. 2. EXPANSION OF DENIAL OF DEDUCTION FOR CER-**
2 **TAIN EXCESSIVE EMPLOYEE REMUNERA-**
3 **TION.**

4 (a) APPLICATION TO ALL CURRENT AND FORMER
5 EMPLOYEES.—

6 (1) IN GENERAL.—Section 162(m) of the Inter-
7 nal Revenue Code of 1986 is amended—

8 (A) by striking “covered employee” each
9 place it appears in paragraphs (1) and (4) and
10 inserting “covered individual”, and

11 (B) by striking “such employee” each
12 place it appears in subparagraphs (A) and (G)
13 of paragraph (4) and inserting “such indi-
14 vidual”.

15 (2) COVERED INDIVIDUAL.—Section 162(m)(3)
16 of such Code is amended to read as follows:

17 “(3) COVERED INDIVIDUAL.—For purposes of
18 this subsection, the term ‘covered individual’ means
19 any individual who is an officer, director, or em-
20 ployee of the taxpayer or a former officer, director,
21 or employee of the taxpayer.”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 48D(b)(3)(A) of such Code is
24 amended by inserting “(as in effect for taxable
25 years beginning before January 1, 2015)” after
26 “section 162(m)(3)”.

1 (B) Section 409A(b)(3)(D)(ii) of such
2 Code is amended by inserting “(as in effect for
3 taxable years beginning before January 1,
4 2015)” after “section 162(m)(3)”.

5 (b) EXPANSION OF APPLICABLE EMPLOYEE REMU-
6 NERATION.—

7 (1) ELIMINATION OF EXCEPTION FOR COMMIS-
8 SION-BASED PAY.—

9 (A) IN GENERAL.—Section 162(m)(4) of
10 such Code, as amended by subsection (a), is
11 amended by striking subparagraph (B) and by
12 redesignating subparagraphs (C) through (G)
13 as subparagraphs (B) through (F), respectively.

14 (B) CONFORMING AMENDMENTS.—

15 (i) Section 162(m)(5) of such Code is
16 amended—

17 (I) by striking “subparagraphs
18 (B), (C), and (D) thereof” in sub-
19 paragraph (E) and inserting “sub-
20 paragraphs (B) and (C) thereof”, and

21 (II) by striking “subparagraphs
22 (F) and (G)” in subparagraph (G)
23 and inserting “subparagraphs (E) and
24 (F)”.

1 (ii) Section 162(m)(6) of such Code is
2 amended—

3 (I) by striking “subparagraphs
4 (B), (C), and (D) thereof” in sub-
5 paragraph (D) and inserting “sub-
6 paragraphs (B) and (C) thereof”, and

7 (II) by striking “subparagraphs
8 (F) and (G)” in subparagraph (G)
9 and inserting “subparagraphs (E) and
10 (F)”.

11 (2) INCLUSION OF PERFORMANCE-BASED COM-
12 PENSATION.—

13 (A) IN GENERAL.—Section 162(m)(4) of
14 such Code, as amended by subsection (a) and
15 paragraph (1) of this subsection, is amended by
16 striking subparagraph (B) and redesignating
17 subparagraphs (C) through (F) as subpara-
18 graphs (B) through (E), respectively.

19 (B) CONFORMING AMENDMENTS.—

20 (i) Section 162(m)(5) of such Code,
21 as amended by paragraph (1), is amend-
22 ed—

23 (I) by striking “subparagraphs
24 (B) and (C) thereof” in subparagraph

1 (E) and inserting “subparagraph (B)
2 thereof”, and

3 (II) by striking “subparagraphs
4 (E) and (F)” in subparagraph (G)
5 and inserting “subparagraphs (D) and
6 (E)”.

7 (ii) Section 162(m)(6) of such Code,
8 as amended by paragraph (1), is amend-
9 ed—

10 (I) by striking “subparagraphs
11 (B) and (C) thereof” in subparagraph
12 (D) and inserting “subparagraph (B)
13 thereof”, and

14 (II) by striking “subparagraphs
15 (E) and (F)” in subparagraph (G)
16 and inserting “subparagraphs (D) and
17 (E)”.

18 (c) EXPANSION OF APPLICABLE EMPLOYER.—Sec-
19 tion 162(m)(2) of such Code is amended to read as fol-
20 lows:

21 “(2) PUBLICLY HELD CORPORATION.—For pur-
22 poses of this subsection, the term ‘publicly held cor-
23 poration’ means any corporation which is an issuer
24 (as defined in section 3 of the Securities Exchange
25 Act of 1934 (15 U.S.C. 78c))—

1 “(A) that has a class of securities reg-
2 istered under section 12 of such Act (15 U.S.C.
3 78l), or

4 “(B) that is required to file reports under
5 section 15(d) of such Act (15 U.S.C. 780(d)).”.

6 (d) REGULATORY AUTHORITY.—

7 (1) IN GENERAL.—Section 162(m) of such
8 Code is amended by adding at the end the following
9 new paragraph:

10 “(7) REGULATIONS.—The Secretary may pre-
11 scribe such guidance, rules, or regulations, including
12 with respect to reporting, as are necessary to carry
13 out the purposes of this subsection.”.

14 (2) CONFORMING AMENDMENT.—Section
15 162(m)(6) of such Code is amended by striking sub-
16 paragraph (H).

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2014.

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