

.....  
(Original Signature of Member)

113TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

Mr. DOGGETT introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**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.—Paragraph (3) of  
16 section 162(m) of such Code is amended to read as  
17 follows:

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

23 (3) CONFORMING AMENDMENTS.—

24 (A) Section 48D(b)(3)(A) of such Code is  
25 amended by inserting “(as in effect for taxable

1           years beginning before January 1, 2014)” after  
2           “section 162(m)(3)”.

3           (B) Section 409A(b)(3)(D)(ii) of such  
4           Code is amended by inserting “(as in effect for  
5           taxable years beginning before January 1,  
6           2014)” after “section 162(m)(3)”.

7           (b) EXPANSION OF APPLICABLE EMPLOYEE REMU-  
8           NERATION.—

9           (1) ELIMINATION OF EXCEPTION FOR COMMIS-  
10          SION-BASED PAY.—

11          (A) IN GENERAL.—Paragraph (4) of sec-  
12          tion 162(m) of such Code, as amended by sub-  
13          section (a), is amended by striking subpara-  
14          graph (B) and by redesignating subparagraphs  
15          (C) through (G) as subparagraphs (B) through  
16          (F), respectively.

17          (B) CONFORMING AMENDMENTS.—

18                 (i) Section 162(m)(5) of such Code is  
19                 amended—

20                         (I) by striking “subparagraphs  
21                         (B), (C), and (D) thereof” in sub-  
22                         paragraph (E) and inserting “sub-  
23                         paragraphs (B) and (C) thereof”, and

24                         (II) by striking “subparagraphs  
25                         (F) and (G)” in subparagraph (G)

1 and inserting “subparagraphs (E) and  
2 (F)”.

3 (ii) Section 162(m)(6) of such Code is  
4 amended—

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

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

13 (2) INCLUSION OF PERFORMANCE-BASED COM-  
14 PENSATION.—

15 (A) IN GENERAL.—Paragraph (4) of sec-  
16 tion 162(m) of the Internal Revenue Code of  
17 1986, as amended by subsection (a) and para-  
18 graph (1) of this subsection, is amended by  
19 striking subparagraph (B) and redesignating  
20 subparagraphs (C) through (F) as subpara-  
21 graphs (B) through (E), respectively.

22 (B) CONFORMING AMENDMENTS.—

23 (i) Section 162(m)(5) of such Code,  
24 as amended by paragraph (1), is amend-  
25 ed—

1 (I) by striking “subparagraphs  
2 (B) and (C) thereof” in subparagraph  
3 (E) and inserting “subparagraph (B)  
4 thereof”, and

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

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

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

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

20 (c) EXPANSION OF APPLICABLE EMPLOYER.—Para-  
21 graph (2) of section 162(m) of the Internal Revenue Code  
22 of 1986 is amended to read as follows:

23 “(2) PUBLICLY HELD CORPORATION.—For pur-  
24 poses of this subsection, the term ‘publicly held cor-  
25 poration’ means any corporation which is an issuer

1 (as defined in section 3 of the Securities Exchange  
2 Act of 1934 (15 U.S.C. 78c))—

3 “(A) that has a class of securities reg-  
4 istered under section 12 of such Act (15 U.S.C.  
5 78l), or

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

8 (d) REGULATORY AUTHORITY.—

9 (1) IN GENERAL.—Section 162(m) of the Inter-  
10 nal Revenue Code of 1986 is amended by adding at  
11 the end the following new paragraph:

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

16 (2) CONFORMING AMENDMENT.—Paragraph (6)  
17 of section 162(m) of such Code is amended by strik-  
18 ing subparagraph (H).

19 (e) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 December 31, 2013.