



H.R. 2347, *Survivor Justice Tax Prevention Act* **Rep. Lloyd Smucker (R-PA), Rep. Gwen Moore (D-WI)**

Background:

- Under current law, compensatory damages may be excluded from taxable income if those damages are on account of physical injury or physical sickness.
 - In the case of sexual assault, this means that victims must pay income taxes on the compensatory damages they receive, unless the damages are for a physical injury or physical sickness.
- In practice, **this means sexual assault victims may be required to provide evidence of an observable injury to qualify for the exemption**, such as:
 - Medical records documenting physical harm,
 - Police reports describing injuries, or
 - Witness statements confirming physical injury.
- **Not all sexual assaults result in observable physical injuries**; therefore, under current law **some victims of sexual assault may be required to pay taxes on the damages they receive**.

H.R. 2347, *Survivor Justice Tax Prevention Act*:

- **Excludes from gross income all compensatory damages awarded to sexual assault victims, regardless of proof of physical injury.**
 - This exclusion applies to all compensatory damages and settlements attributable to a sexual act or sexual contact.
- **Makes it easier for victims to prove to the IRS that a sexual assault occurred** by allowing a victim to present a court decision or settlement agreement as presumptive evidence.
 - This ensures that victims are not forced to relitigate their case with the IRS, should the claim be audited.
 - This bill also **prohibits the IRS from requiring the sexual assault victim to provide medical records in order to substantiate the claim**.