

111TH CONGRESS  
1ST SESSION

# H. R. 3452

To impose a tax on Wall Street bonuses received from TARP recipients  
and direct revenue to mortgage workouts.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Ms. KAPTUR introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To impose a tax on Wall Street bonuses received from TARP recipients and direct revenue to mortgage workouts.

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 “Recoupment of Wall  
5 Street Bonus Act”.

6 **SEC. 2. BONUSES RECEIVED FROM CERTAIN TARP RECIPI-**  
7 **ENTS.**

8 (a) IN GENERAL.—In the case of an employee or  
9 former employee of a covered TARP recipient, the tax im-

1 posed by chapter 1 of the Internal Revenue Code of 1986  
2 for any taxable year shall not be less than the sum of—

3 (1) the tax that would be determined under  
4 such chapter if the taxable income of the taxpayer  
5 for such taxable year were reduced (but not below  
6 zero) by the TARP bonus received by the taxpayer  
7 during such taxable year, plus

8 (2) 100 percent of the TARP bonus received by  
9 the taxpayer during such taxable year.

10 (b) TARP BONUS.—For purposes of this section—

11 (1) IN GENERAL.—The term “TARP bonus”  
12 means, with respect to any individual for any taxable  
13 year, the lesser of—

14 (A) the aggregate disqualified bonus pay-  
15 ments received from covered TARP recipients  
16 during such taxable year, or

17 (B) the excess of—

18 (i) the adjusted gross income of the  
19 taxpayer for such taxable year, over

20 (ii) \$250,000 (\$125,000 in the case of  
21 a married individual filing a separate re-  
22 turn).

23 (2) DISQUALIFIED BONUS PAYMENT.—

24 (A) IN GENERAL.—The term “disqualified  
25 bonus payment” means any retention payment,

1 incentive payment, or other bonus which is in  
2 addition to any amount payable to such indi-  
3 vidual for service performed by such individual  
4 at a regular hourly, daily, weekly, monthly, or  
5 similar periodic rate.

6 (B) EXCEPTIONS.—Such term shall not in-  
7 clude commissions, welfare or fringe benefits, or  
8 expense reimbursements.

9 (C) WAIVER OR RETURN OF PAYMENTS.—  
10 Such term shall not include any amount if the  
11 employee irrevocably waives the employee's enti-  
12 tlement to such payment, or the employee re-  
13 turns such payment to the employer, before the  
14 close of the taxable year in which such payment  
15 is due. The preceding sentence shall not apply  
16 if the employee receives any benefit from the  
17 employer in connection with the waiver or re-  
18 turn of such payment.

19 (3) REIMBURSEMENT OF TAX TREATED AS  
20 TARP BONUS.—Any reimbursement by a covered  
21 TARP recipient of the tax imposed under subsection  
22 (a) shall be treated as a disqualified bonus payment  
23 to the taxpayer liable for such tax.

24 (c) COVERED TARP RECIPIENT.—For purposes of  
25 this section—

1           (1) IN GENERAL.—The term “covered TARP  
2 recipient” means—

3                   (A) any person who receives after Decem-  
4 ber 31, 2007, capital infusions under the Emer-  
5 gency Economic Stabilization Act of 2008  
6 which, in the aggregate, exceed \$5,000,000,000,

7                   (B) the Federal National Mortgage Asso-  
8 ciation and the Federal Home Loan Mortgage  
9 Corporation,

10                  (C) any person who is a member of the  
11 same affiliated group (as defined in section  
12 1504 of the Internal Revenue Code of 1986, de-  
13 termined without regard to paragraphs (2) and  
14 (3) of subsection (b)) as a person described in  
15 subparagraph (A) or (B), and

16                  (D) any partnership if more than 50 per-  
17 cent of the capital or profits interests of such  
18 partnership are owned directly or indirectly by  
19 one or more persons described in subparagraph  
20 (A), (B), or (C).

21           (2) EXCEPTION FOR TARP RECIPIENTS WHO  
22 REPAY ASSISTANCE.—A person shall be treated as  
23 described in paragraph (1)(A) for any period only  
24 if—

1           (A) the excess of the aggregate amount of  
2           capital infusions described in paragraph (1)(A)  
3           with respect to such person over the amounts  
4           repaid by such person to the Federal Govern-  
5           ment with respect to such capital infusions, ex-  
6           ceeds

7           (B) \$5,000,000,000.

8           (d) OTHER DEFINITIONS.—Terms used in this sec-  
9           tion which are also used in the Internal Revenue Code of  
10          1986 shall have the same meaning when used in this sec-  
11          tion as when used in such Code.

12          (e) COORDINATION WITH INTERNAL REVENUE CODE  
13          OF 1986.—Any increase in the tax imposed under chapter  
14          1 of the Internal Revenue Code of 1986 by reason of sub-  
15          section (a) shall not be treated as a tax imposed by such  
16          chapter for purposes of determining the amount of any  
17          credit under such chapter or for purposes of section 55  
18          of such Code.

19          (f) REGULATIONS.—The Secretary of the Treasury,  
20          or the Secretary's delegate, shall prescribe such regula-  
21          tions or other guidance as may be necessary or appro-  
22          priate to carry out the purposes of this section.

23          (g) EFFECTIVE DATE.—This section shall apply to  
24          disqualified bonus payments received after December 31,  
25          2008, in taxable years ending after such date.

1 **SEC. 3. DEPOSIT LOCATION FOR REVENUES RECEIVED**  
2 **UNDER SECTION 1.**

3 All tax revenue received as a result of section 1 shall  
4 be deposited in the appropriate account at the Department  
5 of Housing and Urban Development to fund programs  
6 under section 4.

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