119TH CONGRESS
2D SESSION

S. ______

To amend the Internal Revenue Code of 1986 to establish a surtax on income which is attributable to substantial favorable Federal government action and received by companies owned or controlled by covered public officials or their family members.

IN THE SENATE OF THE UNITED STATES

Mr. BLUMENTHAL introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Internal Revenue Code of 1986 to establish a surtax on income which is attributable to substantial favorable Federal government action and received by companies owned or controlled by covered public officials or their family members.

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 ''Anti-Corruption Tax (ACT) Act''.

SEC. 2. PUBLIC OFFICE WINDFALL TAX.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

"PART VIII—PUBLIC OFFICE WINDFALL TAX

"Sec. 59B. Public office windfall tax.

"SEC. 59B. PUBLIC OFFICE WINDFALL TAX.

"(a) IN GENERAL.—There is hereby imposed on each covered individual for any taxable year a tax equal to 100 percent of the public office windfall income of such individual. Such tax shall be in addition to any other tax imposed by this subtitle.

"(b) COVERED INDIVIDUAL.—For purposes of this section, the term 'covered individual' means—

"(1) any individual who has served as President or Vice President or in a position at level I of the Executive Schedule under section 5312 of title 5, United States Code .,

"(2) any individual who was married to an individual described in paragraph (1) during the period in which a covered favorable government action was made, and

"(3) any child (as defined in section 152(f)(1)) of an individual described in paragraph (1).

"(c) PUBLIC OFFICE WINDFALL INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term 'public office windfall income' means taxable income which is attributable to a covered favorable government action.

"(2) COVERED FAVORABLE GOVERNMENT ACTION.—The term 'covered favorable government action' means, with respect to any covered individual, any discretionary Federal action which is taken during the time the individual described in subsection (b)(1) serves in a position described in such subsection and which—

"(A) is directed to a covered individual or an entity beneficially owned by a covered individual,

"(B) is reasonably expected to confer a substantial economic benefit beyond that resulting from routine or ministerial governmental action, and

"(C) consists of one or more of the following:

"(i) The issuance of a Federal bank charter, trust charter, special purpose charter, license, registration, approval, or other discretionary Federal authorization permitting an entity to engage in banking, payments, digital asset activities, or other regulated financial activities.

"(ii) The issuance of a Federal license or franchise.

"(iii) The issuance of a discretionary Federal permit or authorization that is not routine or ministerial.

"(iv) The award of a Federal lease involving public lands, mineral resources, offshore energy development, or other valuable Federal assets.

"(v) The award of a Federal contract.

"(vi) The grant of a discretionary exemption, waiver, or similar individualized relief from a requirement of Federal law or regulation.

"(vii) The award of discretionary Federal financial assistance, including grants, cooperative agreements, loans, loan guarantees, or other forms of financial assistance.

"(viii) The approval of a merger, acquisition, consolidation, change in control, or similar transaction requiring discretionary approval by a Federal agency.

"(3) BENEFICIALLY OWNED.—For purpose of paragraph (2)(A), the term 'beneficially owned' has the meaning given such term under section 1010.230 of title 31, Code of Federal Regulations (as in effect on the date of the enactment of this section).".

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"PART VIII—PUBLIC OFFICE WINDFALL TAX".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after January 20, 2025.