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The Honorable John Lewis  
343 Cannon House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Robert C. Scott  
1201 Longworth House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Aaron Schock  
328 Cannon House Office Building  
United States House of Representatives  
Washington, DC 20515

The Honorable Jim Sensenbrenner  
2449 Rayburn House Office Building  
United States House of Representatives  
Washington, DC 20515

Dear Representatives Sensenbrenner, Lewis, Schock, and Scott:

On behalf of the American Bar Association, with nearly 400,000 members worldwide, I commend you for your bipartisan leadership in introducing H.R. 2509, the Civil Justice Tax Fairness Act of 2013. The ABA supports your effort to promote tax fairness in the treatment of civil rights and employment cases by excluding non-economic damages from gross income and eliminating the taxation of lump-sum recoveries at artificially high rates.

As you know, current tax laws penalize victims of discrimination under all federal, state, and local laws that provide for the enforcement of civil rights or regulate the employment relationship. Unlike personal injury victims, victims who prevail on civil rights and employment-related claims must pay taxes on non-economic damages. Additionally, they are required to pay taxes on potentially many years of income in one year when they receive lump sum pay settlements.

The ABA has strongly supported remedying these problems and, for over a decade, has urged Congress to enact legislation that would (1) treat compensatory damages (other than front and back pay) in civil rights and employment cases in the same manner as comparable damages in personal physical injury cases, and (2) allow income averaging for victims who receive settlements or awards of several years of front or back pay in one year. We are pleased to see these principles encompassed by your legislation.

The principles underlying the Civil Justice Tax Fairness Act of 2013 and its predecessor, the Civil Rights Tax Relief Act, have enjoyed bipartisan support and the endorsement of a broad array of organizations. We thank you for your leadership on this issue and stand ready to lend our voice and resources to your efforts to attain its enactment.

Sincerely,



Thomas M. Susman