Statement of Support for the Civil Justice Tax Fairness Act (CJTFA)

Endorsed March 2014

WHEREAS, the National Asian Pacific American Bar Association (NAPABA) is the national association of Asian Pacific American attorneys, judges, law professors and law students, representing the interests of over 40,000 attorneys and nearly 70 national, state, and local Asian Pacific American bar associations; NAPABA members include solo practitioners, large firm lawyers, corporate counsel, legal service and non-profit attorneys, and lawyers serving at all levels of government; and NAPABA is committed to addressing civil rights issues confronting Asian Pacific American communities and people of color;

WHEREAS, the Civil Justice Tax Fairness Act (H.R. 2509/S.1224, as introduced in the 113th Congress), formerly known as the Civil Rights Tax Relief Act, would eliminate unfair taxation on noneconomic damages received by victims of employment discrimination and other civil rights violations;

WHEREAS, the CJTFA would, in whole or in part, treat compensatory damages (other than back pay and front pay) in employment discrimination and civil rights cases (as defined in 26 U.S.C. 62(e)) in the same manner as compensatory damages in personal physical injury cases;

WHEREAS, the CJTFA would allow income averaging for complainants who receive in one year awards or settlements of back pay or front pay covering more than one year; and

WHEREAS, the CJTFA has bipartisan support in Congress and from a wide variety of organizations, including the American Bar Association, the Coalition of Bar Associations of Color; the Association of Corporate Counsel, the Leadership Conference on Civil and Human Rights, Advancing Justice-AAJC, the National Employment Lawyers Association, and many other bar and civil rights organizations.

THEREFORE BE IT RESOLVED, that NAPABA:

1. Calls for the enactment of the Civil Justice Tax Fairness Act (H.R. 2509/S.1224, as introduced in the 113th Congress) or similar legislation that would provide relief to employment discrimination and civil rights complainants by, in whole or in part,

   (a) Treating compensatory damages (other than back pay and front pay) in employment discrimination and civil rights cases (as defined in 26 USC 62(e)) in the same manner as compensatory damages in personal physical injury cases; and

   (b) allowing income averaging for complainants who receive in one year awards
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or settlements of back pay or front pay covering more than one year.

2. Recommends the retention of the present rule that awards of back pay, front pay, and punitive damages are taxable.

3. Authorizes its president, board, and staff to communicate the content of this resolution to its members, affiliates, other bar associations, members of Congress, the Administration, the press, and others to take steps to implement this resolution, as they deem necessary.

4. Supports this resolution as a policy priority until it is withdrawn or modified by subsequent resolution.