

119TH CONGRESS  
1ST SESSION

# S. 3261

To amend the Internal Revenue Code of 1986 to provide an exemption from gross income for mandatory restitution or civil damages as recompense for trafficking in persons.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 20, 2025

Mr. CORNYN (for himself, Mr. WYDEN, Mr. LANKFORD, and Mr. WARNOCK) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an exemption from gross income for mandatory restitution or civil damages as recompense for trafficking in persons.

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 “Human Trafficking  
5 Survivor Tax Relief Act”.

1 **SEC. 2. EXEMPTING FROM FEDERAL INCOME TAXATION**  
 2 **RESTITUTION AND CIVIL DAMAGES AWARD-**  
 3 **ED UNDER SECTIONS 1593 AND 1595 OF TITLE**  
 4 **18, UNITED STATES CODE.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-  
 6 ter 1 of the Internal Revenue Code of 1986 is amended  
 7 by inserting before section 140 the following new section:

8 **“SEC. 139M. CERTAIN AMOUNT RECEIVED AS RESTITUTION**  
 9 **OR CIVIL DAMAGES AS RECOMPENSE FOR**  
 10 **TRAFFICKING IN PERSONS.**

11 “(a) EXCLUSION FROM GROSS INCOME.—Gross in-  
 12 come shall not include any civil damages, restitution, or  
 13 other monetary award (including compensatory or statu-  
 14 tory damages and restitution imposed in a criminal mat-  
 15 ter) awarded—

16 “(1) pursuant to an order of restitution under  
 17 section 1593 of title 18, United States Code, or

18 “(2) in an action under section 1595 of title 18,  
 19 United States Code.”.

20 (b) CONFORMING AMENDMENT.—The table of sec-  
 21 tions for part III of subchapter B of chapter 1 of the In-  
 22 ternal Revenue Code of 1986 is amended by inserting be-  
 23 fore the item relating to section 140 the following new  
 24 item:

“Sec. 139M. Certain amount received as restitution or civil damages as rec-  
 ompense for trafficking in persons.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 the date of the enactment of this Act.

