

S. 2045

At the request of Mr. BLUMENTHAL, the names of the Senator from Delaware (Mr. COONS), the Senator from Vermont (Mr. SANDERS) and the Senator from New Hampshire (Ms. HASSAN) were added as cosponsors of S. 2045, a bill to establish a grant program to encourage States to adopt certain policies and procedures relating to the transfer and possession of firearms.

S. 2073

At the request of Mr. BENNET, the name of the Senator from North Dakota (Mr. HOEVEN) was added as a cosponsor of S. 2073, a bill to establish a vegetation management pilot program on National Forest System land to better protect utility infrastructure from passing wildfire, and for other purposes.

S. 2095

At the request of Mrs. FEINSTEIN, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 2095, a bill to regulate assault weapons, to ensure that the right to keep and bear arms is not unlimited, and for other purposes.

S. RES. 319

At the request of Mr. BROWN, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. Res. 319, a resolution supporting the goals, activities, and ideals of Prematurity Awareness Month.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. BLUMENTHAL, Mr. REED, Mrs. GILLIBRAND, and Ms. HASSAN):

S. 2115. A bill to amend the Internal Revenue Code of 1986 to disallow any deduction for punitive damages, and for other purposes; to the Committee on Finance.

Mr. LEAHY. Mr. President, as Republicans consider tax proposals to disproportionately benefit corporations and the wealthy, they simultaneously fail to address revenue-draining loopholes that compel hardworking taxpayers to subsidize corporate misconduct. Today, I am introducing commonsense legislation—the “No Tax Write-Offs for Corporate Wrongdoers Act”—to prevent the worst corporate actors from writing off their wrongdoing as simply the cost of doing business. This idea is commonsense. This idea is straightforward. This idea should be bipartisan.

Today's tax code allows corporations to deduct the cost of court-ordered punitive damages as an “ordinary” business expense. Courts reserve punitive damages for only the most egregious and reckless misconduct—misconduct that usually causes great harm to people's lives. For victims who have suffered at the hands of the worst corporate bad actors, there is nothing “ordinary” about this loophole. Punitive damage awards are designed to punish wrongdoers for the reprehensible harm

they cause—to provide a deterrence to misconduct. By giving corporations a deduction specifically for their wrongdoing, our tax code winks and nods at future wrongdoers who know that they can simply write off the damages they owe for the damage they cause.

This is not a theoretical problem. In 1994, when the Exxon Valdez spilled 11 million gallons of oil in the Prince William Sound, devastating Alaska's southern coast, it was eventually slapped with punitive damages of \$500 million. Exxon turned around and exploited this tax loophole to write off those punitive damages as an “ordinary” business expense—saving the company millions of dollars that could have—and should have—added to government revenues. In 2011, two Montana teenagers died in a car crash caused by a steering wheel defect in the Hyundai model they were driving—a defect that Hyundai knew about and recklessly ignored for over a decade. Although a judge eventually ordered Hyundai to pay \$73 million in punitive damages, Hyundai can lawfully write those damages off as a business expense. This is just wrong.

The No Tax Write-Offs for Corporate Wrongdoing Act is simple and straightforward, and would end this offensive loophole once and for all. My bill would amend the tax code to prevent the deduction of any amount “paid or incurred for punitive damages in connection with any judgment in, or settlement, any action between private parties.” Aside from bringing our tax code in line with our most basic notions of justice and fair play, my bill would save American taxpayers a significant amount of money. In 2016, the Joint Committee on Taxation estimated that ending this punitive damages loophole would increase our government revenues by nearly \$415 million over 10 years.

The Senate will be talking a lot about tax reform in the coming weeks. The Senate majority will bend over backwards—they already are—to argue how important it is that we dramatically lower tax rates to make our tax system more favorable to large corporations. Should we not also hold these same corporations accountable when they poison our environment and harm Americans? Legislation that leaves such an egregious loophole in place while giving companies massive tax cuts is not tax reform. It is a corporate tax giveaway.

It should shock the conscience to know that our law effectively compels hardworking taxpayers to subsidize the recklessness and bad behavior of the worst corporate actors. This bill would change this unacceptable status-quo. I thank Senators BLUMENTHAL, REED, GILLIBRAND, and HASSAN for cosponsoring this legislation. I urge all Senators—of all political ideologies—to support the No Tax Write-Offs for Corporate Wrongdoing Act. Protecting our constituents from corporate misconduct is not a political or partisan issue. It is our job.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 326—RECOGNIZING THE CREW OF THE SAN ANTONIO ROSE, B-17F, WHO SACRIFICED THEIR LIVES DURING WORLD WAR II, AND HONORING THEIR MEMORY DURING THE WEEK OF THE 75TH ANNIVERSARY OF THAT TRAGIC EVENT

Mr. BLUMENTHAL (for himself, Mr. BOOZMAN, Mr. MURPHY, Mr. INHOFE, Mr. CRUZ, Mr. CORNYN, Mr. DAINES, Mrs. FEINSTEIN, Mr. HEINRICH, Mr. UDALL, Mr. TESTER, and Mrs. GILLIBRAND) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 326

Whereas, in 1943, the ongoing fighting against the Japanese in the Pacific during World War II was treacherous, a decisive outcome hung in the balance, and every victory against the Japanese contributed to the ultimate success in the region;

Whereas, on January 5, 1943, six B-17s of the 43rd Bombardment Group and six B-24s of the 90th Bombardment Group left from Port Moresby, New Guinea, to bomb shipping at Rabaul, New Britain, to break up a major Japanese reinforcement convoy;

Whereas, with the San Antonio Rose, B-17F (No. 41-24458), in the lead, the twelve bombers of the anti-shipping strike proceeded to Rabaul splitting the formation to target shipping in Blanche Bay, Simpson Harbor, Keravia Bay, and Vunapope;

Whereas the American attack surprised the Japanese, and they did not fire anti-aircraft artillery until after the American bombs had been successfully dropped on their targets;

Whereas, when bombers rejoined formation, the San Antonio Rose was no longer in the lead and did not rejoin the formation;

Whereas the San Antonio Rose was last reported to have smoke trailing from the aircraft while being pursued by Japanese fighters into the clouds heading south just east of Vunakanau, New Britain Island, in what is now Papua New Guinea;

Whereas the San Antonio Rose was never sighted again;

Whereas the crew onboard the San Antonio Rose were declared missing in action on January 5, 1943 and subsequently declared killed in action on December 12, 1945;

Whereas the members of the crew of the San Antonio Rose included—

Pilot, Major Allen Lindberg, New York, New York

Co-Pilot, Captain Benton H. Daniel, Hollis, Oklahoma

Bombardier, 2nd Lieutenant Robert L. Hand, Fields Store, Texas

Navigator, 1st Lieutenant John W. Hanson, Missoula, Montana

Engineer, Technical Sergeant Dennis T. Craig, New York, New York

Radio, Staff Sergeant Quentin W. Blakely, Washington, District of Columbia

Gunner, Sergeant Leslie A. Stewart, East Chicago, Illinois

Gunner, Private First Class Leland W. Stone, Oakland, California

Gunner, Private First Class William G. Fraser, Jr., San Antonio, Texas

Observer, Lieutenant Colonel Jack W. Bleasdale, San Fernando, California

Observer, Brigadier General Kenneth N. Walker, Cerillos, New Mexico; and

Whereas the crew of the San Antonio Rose, including Brigadier General Kenneth N.