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119TH CONGRESS
2D SESSION

H. R. 10682

To amend the Internal Revenue Code of 1986 to provide parity in the taxation of professional sports franchises under the limitation on the deduction for certain employee remuneration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 2026

Ms. MALLIOTAKIS (for herself, Mr. SUOZZI, Mr. JACK, and Mrs. MCBATH) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to provide parity in the taxation of professional sports franchises under the limitation on the deduction for certain employee remuneration, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHING PARITY IN TAXATION OF PROFESSIONAL SPORTS FRANCHISES.

(a) IN GENERAL.—Section 162(m)(3)(C) of the Internal Revenue Code of 1986 is amended to read as follows:

"(C) such employee is among the 5 highest compensated employees for the taxable year other than—

"(i) any individual described in subparagraph (A) or (B), or

"(ii) any individual who performs services in the field of athletics (within the meaning of section 1.199A–5(b)(2)(viii) of title 26, Code of Federal Regulations (as in effect on the date of the enactment of this subparagraph)) for the taxpayer, or".

(b) TECHNICAL AMENDMENT.—Section 162(m)(3)(D) of such Code is amended by inserting "such employee" before "was a covered employee".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2026.

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