AMERICANS FOR LITIGATION TAX FAIRNESS

WHAT THEY'RE SAYING

"Congress should reform the tax code to remove the comparatively favorable tax treatment of TPLF funders…By doing so Congress can crack down on the abusive practices of third-party litigation funding while generating revenue to use for pro-growth tax cuts."

- *Mike Palicz, Director of Tax Policy at Americans for Tax Reform (May 7, 2025)*

"We urge Congress to reform the tax code in the reconciliation bill to remove the favorable tax treatment afforded to TPLF funders and make them pay the same U.S. tax rate as the actual plaintiffs who are awarded money from any damages. It's a win-win-win for the American People, businesses, and economy."

- *American Consumer Institute-led coalition of 18 conservative organizations and thought leaders (May 19, 2025)*

"Sen. Tillis's bill doesn't stop lawsuits that hold corporate America accountable. It derails the gravy train that allows trial lawyers and hedge funds to profit off the legal system and use the proceeds to fund left-wing causes and the woke politicians that support them."

- *Ken Blackwell, American First Policy Institute (May 28, 2025)*

"Sen. Tillis is offering a common-sense solution that would discourage these foreign entities from using American courts to harm America. This is straightforward, conservative, and America First policy that protects hard-working American taxpayers."

- *George Landrith, President of Frontiers of Freedom (May 29, 2025)*

"End this silly tax loophole! It's a tax break enjoyed by China, Russia, and other foreign investors who fund lawsuits against US companies. Why should the US subsidize its adversaries?"

- *Steve Pociask, CEO of the American Consumer Institute (May 29, 2025)*

A4LTF

"@SenThomTillis bill protects U.S. legal system from foreign profiteering. This is a win for all Americans."

- *Consumer Action for a Strong Economy (May 29, 2025)*

"The preferential tax treatment for funders, especially foreigners, is an incentive to plow money into lawsuits rather than business investment that creates jobs, boosts productivity and improves living standards. Lawsuits do the opposite. Costs of defending against litigation get passed along to workers, consumers and shareholders. Enter Messrs. Tillis and Hern, who are seeking to add a provision to the current tax bill that would require U.S. and foreign litigation funders to pay tax on their earnings at the ordinary income rate (typically 37%), plus a 3.8% surcharge."

- *Wall Street Journal Editorial Board (June 5, 2025)*

“@SenThomTillis is leading the fight to stop foreigners from using baseless lawsuits to attack American businesses.”

- *Senate Republic Conference (June 5, 2025)*

“Correcting this loophole — by forcing foreign-based litigation funders to pay the same U.S. tax American plaintiffs pay — would promote tax fairness and reduce harmful incentives. It would also generate billions of dollars in federal tax revenue….Tillis aims to revoke the unwarranted tax treatment enjoyed by third-party litigation funders. If Congress were to add similar language to the reconciliation bill it is considering, the U.S. Congress’s Joint Committee on Taxation estimates the provision would raise $3.5 billion over 10 years and could be used to help finance an extension of President Trump’s 2017 tax cuts.”

- *Jim Carter, former Deputy Assistant Secretary at the Treasury Department (June 10, 2025)*

“If there was ever a loophole that needed closing, it was the unfair tax treatment given to the judgments or settlements funded by foreign-sourced third-party litigation funding. Sen. Thom Tillis, North Carolina Republican, deserves considerable credit for taking a small bite at the giant tort tax apple by proposing, as part of the reconciliation bill making its way through Congress, that these overseas sources involved in third-party litigation funding pay the same U.S. tax rate as the plaintiffs who are awarded money from any damages.”

- *Peter Roff, national conservative columnist (June 12, 2025)*

“When President Trump says other countries are ‘ripping us off,’ he is referring to more than trade or currency manipulation. He is also talking about predatory investors overseas — foreign-based hedge funds and sovereign wealth funds — that have devoted staggering amounts of money to bankroll frivolous lawsuits in American courts….There is a remedy at the ready. ..This [Tillis] legislation will, at a minimum, make investors think twice before targeting a successful American company with a frivolous claim.”

- *Trey Gowdy, former U.S. Congressman from South Carolina’s 4th District (June 12, 2025)*

“The advent of hidden third-party litigation funding, in which well-heeled individuals and organizations with no fiduciary obligation to the injured party covertly ‘invest’ in lawsuits in exchange for a portion of any settlement or verdict, is exacerbating the issue…It is the dark money of the legal system. Anonymous third parties fund lawsuits, reap enormous profits, and pay little or nothing in taxes.”

- *Stephen Moore, former Senior Economic Adviser to President Donald Trump (June 26 2025)*

“Foreign elites are profiting off U.S. courtrooms while Republicans sit back and say nothing. CLOSE the loophole. TAX the foreign lawsuit funders. DEFEND our country. If Soros can meddle in our courts, Republicans better find the spine to fight back or step aside for someone who will.”

- *Terrence K. Williams, 2.3M X followers (June 27, 2025)*

“Foreign investors like Soros use our courts to profit from lawsuits while avoiding US taxes. This is not justice; it is a rigged system that benefits the ultra-wealthy. If they want to play here, they should pay here. Close the loophole now!”

- *Defiant L, 1.5M X followers (June 27, 2025)*

> America's legal system is being quietly transformed by billions in foreign cash, often from those aligned with leftist causes. Foreign leftist billionaires profit from lawsuits while not paying any U.S. taxes, thanks to obsolete tax laws. We need real reform: if you're investing in lawsuits to make money, it shouldn't be tax free profits for foreign billionaires. Protecting this tax loophole does nothing but empower deep-pocketed political operatives overseas."
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> - *Wall Street Mav, 1.6M X followers (June 27, 2025)*

> Wait a minute, so foreign money is funding lawsuits against American companies and nobody's talking about it? That's insane! It's like we're letting outside interests mess with our legal system and the people behind it are pretending it's all about justice."
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> - *Joe Rogan Podcast News, 1.6M X followers (June 28, 2025)*

> TPLF funders pay a lower tax rate on their portion of a court award than actual plaintiffs, while foreign TPLF 'investors' can leverage this tax treatment to avoid any tax obligation from using the U.S. court system to target U.S. companies with lawsuits."
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> - *David Williams, President of the Taxpayers Protection Alliance (October 16, 2025)*

> Foreign capital, including from sovereign wealth funds and entities linked to geopolitical competitors, flows into these cases, often in secrecy and with the potential to harass U.S. energy firms, access sensitive information, prolong costly litigation, and advance external agendas. In 2026, Congress should look for ways to close the tax loophole that allows foreign investors to extract tax-free gains from U.S. litigation proceeds to prevent the weaponization of American judicial processes against domestic energy producers and critical infrastructure."
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> - *Alexander Stevens, Manager of Policy at the Institute for Energy Research (January 5, 2026)*