



Big Win for Whistleblowers In Bipartisan Budget Act

Crippling Loopholes in the Tax and Wall Street Whistleblower Reward Laws are Closed

WASHINGTON, DC - DISTRICT OF COLUMBIA, UNITED STATES, February 9, 2018 /EINPresswire.com/ -- The [Bipartisan Budget Act of 2018](#), approved today by the U.S. Congress, included [two key whistleblower-rights amendments](#) initially introduced by Senator Charles Grassley (R-IA). These amendments ensure that employees who blow the whistle on criminal tax fraudsters are covered under the IRS whistleblower law, and end the double-taxation of whistleblower awards under the Dodd-Frank Act.

These amendments fixed devastating loopholes in two major anti-fraud corporate whistleblower laws. The criminal loophole in the tax law would have disqualified most whistleblowers who reported illegal offshore tax-avoidance schemes. The Grassley amendment completely eviscerated that loophole, permitting employees who risk their careers to disclose criminal tax frauds to obtain an award under the law.

The double-taxation loophole had a debilitating impact on the Dodd-Frank Act's whistleblower program. Under this loophole whistleblower had to pay taxes on the fees they paid to their attorneys. In practice, this meant that whistleblower could be taxed as high as 80% on their net-award. This loophole had the practical effect of negating the entire DFA-award program.

[Stephen M. Kohn](#), Executive Director of the National Whistleblower Center, said:

"Today is a great day for whistleblowers and American taxpayers. Thousands of Americans sent letters and emails to their elected representatives demanding that these two devastating loopholes in whistleblower law be fixed. The Chairman of the bi-partisan Senate Whistleblower Caucus, Senator Charles Grassley, forged the bipartisan coalition needed to ensure that whistleblowers are protected. The IRS and Dodd-Frank whistleblower laws are the cornerstone of America's anti-fraud program. These two amendments breathe new life into these vital laws."

"The National Whistleblower Center has been working for three years to fix these problems, challenging the anti-whistleblower interpretations in court, mobilizing thousands of citizens to send letters/emails to their representatives, and educating Members of Congress concerning the destructive nature of these two loopholes. Our campaign has been successful," Kohn added.

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