

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2534

To amend the Internal Revenue Code of 1986 to disallow the deduction for advertising or other promotion expenses with respect to sales of tobacco products.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 1993

Mr. HUFFINGTON (for himself, Mr. ANDREWS of Texas, Mr. CONYERS, Mr. DURBIN, Mr. FRANK of Massachusetts, Mr. HANSEN, Mr. STARK, Mr. TRAFICANT, and Mr. WYDEN) 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 disallow the deduction for advertising or other promotion expenses with respect to sales of tobacco products.

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 “Tobacco Advertising  
5 Subsidies and Health Enhancement Strategies Act”.

1 **SEC. 2. DISALLOWANCE OF DEDUCTION FOR TOBACCO**  
2 **PRODUCT SALES PROMOTION EXPENSES.**

3 (a) GENERAL RULE.—Part IX of subchapter B of  
4 chapter 1 of the Internal Revenue Code of 1986 (relating  
5 to items not deductible) is amended by adding at the end  
6 thereof the following new section:

7 **“SEC. 280I. TOBACCO PRODUCT SALES PROMOTION EX-**  
8 **PENSES.**

9 “(a) GENERAL RULE.—No deduction shall be allowed  
10 under this chapter for any tobacco product sale promotion  
11 expense.

12 “(b) TOBACCO PRODUCT SALE PROMOTION EX-  
13 PENSE.—For purposes of this section—

14 “(1) IN GENERAL.—The term ‘tobacco product  
15 sale promotion expense’ means any amount other-  
16 wise allowable as a deduction under this chapter  
17 with respect to—

18 “(A) any advertisement primarily for pur-  
19 poses of promoting the sale of tobacco products,  
20 or

21 “(B) any of the following incurred or pro-  
22 vided primarily for purposes described in sub-  
23 paragraph (A)—

24 “(i) travel expenses (including meals  
25 and lodging),

1           “(ii) any amount attributable to goods  
2           or services of a type generally considered  
3           to constitute entertainment, amusement, or  
4           recreation or to the use of a facility in con-  
5           nection with the providing of such goods or  
6           services,

7           “(iii) gifts, or

8           “(iv) other promotion expenses.

9           “(2) TOBACCO PRODUCTS.—The term ‘tobacco  
10          products’ has the meaning given to such term by  
11          section 5702(c).

12          “(c) REGULATIONS.—The Secretary shall prescribe  
13          such regulations as may be necessary to carry out the pur-  
14          pose of this section.”

15          (b) CLERICAL AMENDMENT.—The table of sections  
16          for part IX of subchapter B of chapter 1 of such Code  
17          is amended by adding at the end thereof the following new  
18          item:

                  “Sec. 280I. Tobacco product sales promotion expenses.”

19          (c) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply to amounts paid or incurred after  
21          the date of the enactment of this Act in taxable years end-  
22          ing after such date.

1 **SEC. 3. ADDITIONAL REVENUES TO BE USED FOR DEFICIT**  
2 **REDUCTION.**

3 Any additional revenues received in the Treasury by  
4 reason of the amendments made by section 2—

5 (1) shall be used for deficit reduction purposes,  
6 and

7 (2) shall not be considered for any purpose  
8 under the Balanced Budget and Emergency Deficit  
9 Control Act of 1985.

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