

Sources: Trial lawyers expect tax break from Treasury Department

BY JOHN O'BRIEN

VANCOUVER, Canada (Legal Newsline) - The nation's trial lawyer group, the American Association for Justice, revealed Tuesday that it expects the U.S. Department of Treasury to soon give its members a tax break on contingency fee lawsuits.

The tax break could be similar to proposed legislation that didn't make it through Congress last year. That proposal, sponsored by U.S. Sen. Arlen Specter, D-Pa., would have allowed attorneys to deduct fees and expenses up-front for filing contingency fee lawsuits.

John Bowman, the Director of Federal Relations for the AAJ, said in response to a question from a state delegate regarding recruiting new members that an administrative order from the Treasury Department could come as soon as tomorrow, sources told *Legal Newsline*.

The Treasury Department cautioned the AAJ not to go public with the information yet, according to Bowman, sources also said.

Last year, an opinion piece from the [Washington Legal Foundation](#) criticized Specter's bill.

"If Sen. Specter's proposed modification of the Internal Revenue Code succeeds, the federal government will, for all intents and purposes, share in the cost and risk of bringing the initial litigation," it says.

"Under current and certainly potential future tax laws, this could be as much as 40 percent of the cost of bringing litigation."

From Legal Newsline: Reach John O'Brien by e-mail at jobrienw@gmail.com.