

News

LLAW decries potential trial lawyer tax break

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Louisiana Lawsuit Abuse Watch (LLAW) is criticizing a proposed tax break for lawyers who file contingency fee lawsuits.

Melissa Landry, executive director of LLAW, said reports that the U.S. Treasury Department is considering issuing an administrative order granting tax breaks for contingency-fee lawsuits are "outrageous."

"Why on earth would we want to provide more financial incentives to encourage personal injury lawyers to file more job-killing lawsuits when we face a massive employment crisis across the whole country and here in Louisiana," Landry said in a written statement.

Legal Newswire has reported that John Bowman, director of Federal Relations for the trial lawyer-based American Association for Justice (AAJ), made the announcement of the possible tax breaks and that an administrative order from the Treasury Department could come soon.

The tax break proposal is similar to a failed 2009 proposal sponsored by U.S. Sen. Arlen Specter, D-Pa. which would have allowed attorneys to deduct fees and expenses up-front for filing contingency fee lawsuits.

The **Washington Legal Foundation** criticized the bill for making the federal government "share in the cost and risk of bringing the initial litigation."

Landry called the potential tax breaks "reminiscent of the illogical health care reform legislation that failed to address medical malpractice lawsuits and reduce costs."

