



## Tax Experts Praise Murphy Decision as “Momentous” and “Epochal”

In a recent court victory, whistleblower Marrita Murphy successfully challenged the constitutionality of taxing compensatory damages in civil rights/whistleblower cases.

In August 2006, a unanimous panel of the U.S. Court of Appeals for the District of Columbia Circuit ruled in favor of Ms. Murphy and declared unconstitutional a special tax Congress had passed in 1996, which targeted civil rights victims who received compensation for emotional distress damages. That decision, [Murphy v. United States](#), has now been hailed by a leading tax expert as a “momentous” and “epochal” decision. Mr. Robert Wood, the author of the leading books on taxation of damage claims, set forth ten major benefits all wrongfully discharged whistleblowers obtained from the decision, including facilitating settlement of cases, permitting victims of civil rights violations to obtain tax refunds and ensuring that all Americans who suffer retaliation can be made fully whole.

Since 1996 the National Whistleblowers Center has vigorously opposed the taxation of damages designed strictly to make whistleblowers “whole” for the damages they suffer. Before the Court of Appeals, Marrita Murphy was represented by the NWC’s General Counsel for Forensic Justice and the Chairperson of the NWC’s Board of Directors.

[Analysis & Perspective, Employment Discrimination Report, BNA 10-04-06](#)