

103^D CONGRESS
1ST SESSION

H. R. 164

To amend the Federal Election Campaign Act of 1971 to reduce the limitation amounts for contributions to candidates for Federal office and to amend the Internal Revenue Code of 1986 to provide a tax credit for contributions to candidates for public office.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. DUNCAN introduced the following bill; which was referred jointly to the Committees on House Administration and Ways and Means

A BILL

To amend the Federal Election Campaign Act of 1971 to reduce the limitation amounts for contributions to candidates for Federal office and to amend the Internal Revenue Code of 1986 to provide a tax credit for contributions to candidates for public office.

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. REDUCTION IN LIMITATION AMOUNTS FOR**
4 **CONTRIBUTIONS TO CANDIDATES FOR FED-**
5 **ERAL OFFICE.**

6 (a) LIMITATION AMOUNT FOR CONTRIBUTIONS BY
7 PERSONS OTHER THAN MULTICANDIDATE POLITICAL

1 COMMITTEES.—Section 315(a)(1)(A) of the Federal Elec-
2 tion Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is
3 amended by striking out “\$1,000” and inserting in lieu
4 thereof “\$500”.

5 (b) LIMITATION AMOUNT FOR CONTRIBUTIONS BY
6 MULTICANDIDATE POLITICAL COMMITTEES.—Section
7 315(a)(2)(A) of the Federal Election Campaign Act of
8 1971 (2 U.S.C. 441a(a)(2)(A)) is amended by striking out
9 “\$5,000” and inserting in lieu thereof “\$500”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 subsections (a) and (b) shall apply with respect to elec-
12 tions taking place after December 31, 1990.

13 **SEC. 2. INCOME TAX CREDIT FOR CONTRIBUTIONS TO CAN-**
14 **DIDATES FOR PUBLIC OFFICE.**

15 (a) IN GENERAL.—Subpart A of part IV of sub-
16 chapter A of chapter 1 of the Internal Revenue Code of
17 1986 (relating to nonrefundable personal credits) is
18 amended by inserting after section 23 the following new
19 section:

20 **“SEC. 24. CONTRIBUTIONS TO CANDIDATES FOR PUBLIC**
21 **OFFICE.**

22 “(a) GENERAL RULE.—In the case of an individual,
23 there shall be allowed, subject to the limitations in sub-
24 section (b), as a credit against the tax imposed by this
25 chapter for the taxable year, an amount equal to 50 per-

1 cent of all political contributions, payment of which is
2 made by the taxpayer within the taxable year.

3 “(b) LIMITATIONS.—

4 “(1) MAXIMUM CREDIT.—The credit allowed by
5 subsection (a) for a taxable year shall not exceed
6 \$125 (\$250 in the case of a joint return under sec-
7 tion 6013).

8 “(2) VERIFICATION.—A credit shall be allowed
9 by subsection (a) with respect to any political con-
10 tribution only if the contribution is verified in the
11 manner prescribed by the Secretary in regulations.

12 “(c) DEFINITIONS.—For purposes of this section—

13 “(1) POLITICAL CONTRIBUTION.—The term
14 ‘political contribution’ means a contribution or gift
15 of money to—

16 “(A) an individual who is a candidate for
17 nomination or election to any Federal, State, or
18 local elective public office in any primary, gen-
19 eral, or special election, for use by the individ-
20 ual to further the candidacy of the individual
21 for nomination or election to the office,

22 “(B) any committee, association, or organi-
23 zation (whether or not incorporated) organized
24 and operated exclusively for the purpose of in-
25 fluencing, or attempting to influence, the nomi-

1 nation or election of 1 or more individuals who
2 are candidates for nomination or election to any
3 Federal, State, or local elective public office, for
4 use by the committee, association, or organiza-
5 tion to further the candidacy of the individual
6 or individuals for nomination or election to the
7 office,

8 “(C) the national committee of a national
9 political party,

10 “(D) the State committee of a national po-
11 litical party as designated by the national com-
12 mittee of the party, or

13 “(E) a local committee of a national politi-
14 cal party as designated by the State committee
15 of the party designated under subparagraph
16 (D).

17 “(2) CANDIDATE.—The term ‘candidate’
18 means, with respect to any Federal, State, or local
19 elective public office, an individual who—

20 “(A) publicly announces before the close of
21 the calendar year following the calendar year in
22 which the contribution or gift is made that the
23 individual is a candidate for nomination or elec-
24 tion to the office, and

1 “(B) meets the qualifications prescribed by
2 law to hold the office.

3 “(3) NATIONAL POLITICAL PARTY.—The term
4 ‘national political party’ means—

5 “(A) in the case of contributions made
6 during a taxable year of the taxpayer in which
7 the electors of President and Vice President are
8 chosen, a political party presenting candidates
9 or electors for such offices on the official elec-
10 tion ballot of 10 or more States, or

11 “(B) in the case of contributions made
12 during any other taxable year of the taxpayer,
13 a political party which met the qualifications
14 described in subparagraph (A) in the last pre-
15 ceding election of a President and Vice Presi-
16 dent.

17 “(4) STATE AND LOCAL.—The term ‘State’
18 means the various States and the District of Colum-
19 bia. The term ‘local’ means a political subdivision or
20 part thereof, or 2 or more political subdivisions or
21 parts thereof, of a State.

22 “(d) CROSS REFERENCES.—

“(1) For disallowance of credits to estates and trusts, see section 642(j).

“(2) For treatment of Indian tribal governments as States (and the subdivisions of Indian tribal governments as political subdivisions of States), see section 7871.”

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 642 of such Code (relating to spe-
3 cial rules for credits and deductions) is amended by
4 adding at the end the following new subsection:

5 “(j) POLITICAL CONTRIBUTION CREDIT.—An estate
6 or trust shall not be allowed the credit against tax for con-
7 tributions to candidates for public office provided by sec-
8 tion 24.”

9 (2) Paragraph (6) of section 7871(a) of such
10 Code (relating to Indian tribal governments treated
11 as States for certain purposes) is amended by redesi-
12 gnating subparagraphs (A) through (D) as subpara-
13 graphs (B) through (E), respectively, and by insert-
14 ing before such subparagraph (B) the following new
15 subparagraph:

16 “(A) section 24(c)(4) (defining State for
17 purposes of credit for contributions to can-
18 didates for public office),”.

19 (3) The table of sections for subpart A of part
20 IV of subchapter A of chapter 1 of such Code is
21 amended by inserting after the item relating to sec-
22 tion 23 the following new item:

“Sec. 24. Contributions to candidates for public office.”

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 1992.

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