

103^D CONGRESS
1ST SESSION

H. R. 1185

To limit contributions by nonparty multicandidate political committees in House of Representatives elections, to provide an income tax credit for contributions to nonincumbent candidates in such elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1993

Mr. KOPETSKI introduced the following bill; which was referred jointly to the Committees on House Administration, Ways and Means, and Post Office and Civil Service

A BILL

To limit contributions by nonparty multicandidate political committees in House of Representatives elections, to provide an income tax credit for contributions to nonincumbent candidates in such elections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PERCENTAGE LIMITATION ON NONPARTY**
2 **MULTICANDIDATE POLITICAL COMMITTEE**
3 **CONTRIBUTIONS ACCEPTED BY HOUSE OF**
4 **REPRESENTATIVES CANDIDATES.**

5 Section 315 of the Federal Election Campaign Act
6 of 1971 (2 U.S.C. 441a) is amended by adding at the end
7 the following new subsection:

8 “(i) A candidate for the office of Representative in,
9 or Delegate or Resident Commissioner to, the Congress
10 may not, with respect to an election, accept contributions
11 from nonparty multicandidate political committees that, in
12 the aggregate, exceed 40 percent of the total of contribu-
13 tions accepted from all sources.”.

14 **SEC. 2. INCOME TAX CREDIT FOR CONTRIBUTIONS TO**
15 **NONINCUMBENT HOUSE OF REPRESENTA-**
16 **TIVES CANDIDATES.**

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

22 **“SEC. 24. CONTRIBUTIONS TO NONINCUMBENT HOUSE OF**
23 **REPRESENTATIVES CANDIDATES.**

24 “(a) GENERAL RULE.—In the case of an individual,
25 there shall be allowed, subject to the limitations of sub-
26 section (b), as a credit against the tax imposed by this

1 chapter for the taxable year, an amount equal to one-half
2 of all contributions to candidates for the office of Rep-
3 resentative in, or Delegate or Resident Commissioner to,
4 the Congress (other than contributions to an incumbent
5 of any such office), payment of which is made by the tax-
6 payer within the taxable year.

7 “(b) LIMITATIONS.—

8 “(1) MAXIMUM CREDIT.—The credit allowed by
9 subsection (a) for a taxable year shall not exceed
10 \$50 (\$100 in the case of a joint return under section
11 6013).

12 “(2) VERIFICATION.—The credit allowed by
13 subsection (a) shall be allowed, with respect to any
14 contribution, only if such contribution is verified in
15 such manner as the Secretary shall prescribe by reg-
16 ulations.

17 “(c) DEFINITIONS.—For purposes of this section, the
18 terms ‘candidate’ and ‘contribution’ have the meanings
19 given those terms in section 301 of the Federal Election
20 Campaign Act of 1971.

21 “(d) CROSS REFERENCE.—

“**For disallowance of credits to estates and trusts,
see section 642(a)(2).**”.

22 (b) TECHNICAL AMENDMENTS.—

23 (1) Subsection (a) of section 642 of such Code
24 is amended to read as follows:

1 “(a) CREDITS AGAINST TAX.—

2 “(1) FOREIGN TAX CREDIT ALLOWED.—An es-
3 tate or trust shall be allowed the credit against tax
4 for taxes imposed by foreign countries and posses-
5 sions of the United States, to the extent allowed by
6 section 901, only in respect of so much of the taxes
7 described in such section as is not properly allocable
8 under such section to the beneficiaries.

9 “(2) CREDIT FOR CONTRIBUTIONS TO
10 NONINCUMBENT HOUSE OF REPRESENTATIVES CAN-
11 DIDATES NOT ALLOWED.—An estate or trust shall
12 not be allowed the credit against tax for contribu-
13 tions to nonincumbent House of Representatives
14 candidates provided by section 24.”.

15 (2) The table of sections for subpart A of part
16 IV of subchapter A of chapter 1 of such Code is
17 amended by inserting after the item relating to sec-
18 tion 23 the following new item:

“Sec. 24. Contributions to nonincumbent House of Representa-
tives candidates.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 1993.

1 **SEC. 3. NOTIFICATION REQUIREMENTS FOR EXPENDI-**
2 **TURES BY CERTAIN POLITICAL COMMITTEES**
3 **IN HOUSE OF REPRESENTATIVES ELECTIONS.**

4 Section 304 of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 434) is amended by adding at the end
6 the following new subsection:

7 “(d) In addition to any other reporting requirement
8 provided for by law, each political committee (other than
9 a political committee of a political party or a political com-
10 mittee of a candidate for the office of Representative in,
11 or Delegate or Resident Commissioner to, the Congress)
12 that makes expenditures with respect to an election for
13 such office shall—

14 “(1) not later than one week after the date on
15 which such committee makes aggregate expenditures
16 in excess of \$50, so notify each candidate in the
17 election;

18 “(2) in the case of a committee to which para-
19 graph (1) applies, simultaneously with submission of
20 any report of expenditures to the Commission, notify
21 each candidate in the election of all expenditures in
22 the reporting period; and

23 “(3) not later than one week after the date on
24 which such committee makes any single expenditure
25 in excess of \$50, so notify each candidate in the
26 election.”.

1 **SEC. 4. PERCENTAGE LIMITATION ON OUT-OF-STATE CON-**
2 **TRIBUTIONS ACCEPTABLE BY HOUSE OF REP-**
3 **RESENTATIVES CANDIDATES.**

4 Section 315 of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 441a), as amended by section 1 of this
6 Act, is further amended by adding at the end the following
7 new subsection:

8 “(j) A candidate for the office of Representative in,
9 or Delegate or Resident Commissioner to, the Congress
10 may not, with respect to an election, accept contributions
11 from individuals who are not residents of the State in-
12 volved that, in the aggregate, exceed 25 percent of the
13 total of contributions accepted from all individuals.”.

14 **SEC. 5. REDUCTION IN THRESHOLD AMOUNT FOR REPORT-**
15 **ING OF CERTAIN CONTRIBUTIONS AND EX-**
16 **PENDITURES.**

17 Section 304 of the Federal Election Campaign Act
18 of 1971 (2 U.S.C. 434), as amended by section 3, is fur-
19 ther amended by striking out “\$200” each place it ap-
20 pears and inserting in lieu thereof “\$50”.

21 **SEC. 6. REDUCED THIRD CLASS MAIL RATE FOR**
22 **NONINCUMBENTS IN HOUSE OF REPRESENT-**
23 **ATIVES ELECTIONS.**

24 (a) IN GENERAL.—Chapter 34 of title 39, United
25 States Code, is amended by adding at the end the follow-
26 ing new section:

1 **§ 3407. Reduced third class mail rate for**
2 **nonincumbents in House of Representa-**
3 **tives elections**

4 “(a)(1) A nonincumbent candidate for the office of
5 Representative in, or Delegate or Resident Commissioner
6 to, the Congress shall be entitled to send third class cam-
7 paign material through the mails at a rate equal to one-
8 half of the third class bulk mail rate.

9 “(2) The rate provided for in subsection (a) shall be
10 available—

11 “(A) for 3 mailings in the congressional district
12 involved; and

13 “(B) only for material mailed to households
14 with resident registered voters.

15 “(b) There are authorized to be appropriated such
16 amounts as may be necessary to reimburse the Postal
17 Service for the difference between the revenues received
18 for campaign materials mailed under subsection (a) and
19 the revenues that the Postal Service would have received
20 if such materials had been carried at the regular rate.”.

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for chapter 34 of title 39, United States Code, is amended
23 by adding at the end the following new item:

“3407. Reduced third class mail rate for nonincumbents in House
of Representatives elections.”.