

104TH CONGRESS  
2D SESSION

# H. R. 3240

To amend the Internal Revenue Code of 1986 to clarify the prohibition against lobbying.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1996

Mr. DORNAN (for himself and Mr. WOLF) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify the prohibition against lobbying.

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. CLARIFICATION OF LOBBYING PROHIBITION**

4 **APPLICABLE TO CERTAIN CHARITIES.**

5 (a) IN GENERAL.—Subsection (h) of section 501 of  
6 the Internal Revenue Code of 1986 (relating to expendi-  
7 tures by public charities to influence legislation) is amend-  
8 ed by adding at the end the following new paragraph:

9 “(9) CLARIFICATION OF SUBSTANTIALITY  
10 TEST.—An organization described in paragraph (5),

1 or an organization described in paragraph (3) which  
2 does not make the election described in paragraph  
3 (3), shall be denied exemption from taxation under  
4 subsection (a) because a substantial part of the ac-  
5 tivities of such organization consists of carrying on  
6 propaganda, or otherwise attempting, to influence  
7 legislation only if more than 5 percent of the total  
8 expenditures of the organization for the taxable year  
9 are for carrying on propaganda, or otherwise at-  
10 tempting, to influence legislation.”

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall apply to taxable years beginning after  
13 the date of the enactment of this Act.

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