

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1095

To amend the Internal Revenue Code of 1986 to allow individuals to direct that part or all of their income tax refunds be contributed to a trust fund established for the relief of domestic and international hunger, and to establish a commission to oversee the distribution of such contributions.

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IN THE SENATE OF THE UNITED STATES

JUNE 10, 1993

Mr. DASCHLE introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals to direct that part or all of their income tax refunds be contributed to a trust fund established for the relief of domestic and international hunger, and to establish a commission to oversee the distribution of such contributions.

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. SHORT TITLE.**

4 This Act may be cited as the “Hunger Emergency  
5 Assistance and Relief Trust Act of 1993”.

1 **SEC. 2. ELECTION OF TAXPAYERS TO DIRECT INCOME TAX**  
2 **REFUNDS TO HUNGER EMERGENCY ASSIST-**  
3 **ANCE AND RELIEF TRUST.**

4 (a) IN GENERAL.—Section 6402 of the Internal Rev-  
5 enue Code of 1986 (relating to authority to make credits  
6 or refunds) is amended by redesignating subsections (e),  
7 (f), (g), (h), and (i) as subsections (g), (h), (i), (j), and  
8 (k), respectively, and by inserting after subsection (d) the  
9 following new subsections:

10 “(e) OFFSET OF AMOUNT OF INCOME TAX REFUND  
11 DESIGNATED TO BE PAID OVER TO HUNGER EMER-  
12 GENCY ASSISTANCE AND RELIEF TRUST.—

13 “(1) IN GENERAL.—The amount of any over-  
14 payment of income tax to be refunded to the person  
15 making the overpayment shall be reduced by the  
16 sum designated by the person on the person’s return  
17 of tax to be paid over to the Hunger Emergency As-  
18 sistance and Relief Trust.

19 “(2) NOTICE OF REDUCTION PROVIDED ON RE-  
20 QUEST.—The Secretary shall, on request of any per-  
21 son who designates an amount to be paid over under  
22 paragraph (1), notify the person that such amount  
23 has been paid over to the Hunger Emergency Assist-  
24 ance and Relief Trust.

25 “(f) PRIORITIES FOR OFFSET.—Any overpayment by  
26 a person shall be reduced pursuant to subsections (c), (d),

1 and (e), and in that order, before such overpayment is  
2 credited to the future liability for tax of such person pur-  
3 suant to subsection (b).”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Subsection (a) of section 6402 of the Inter-  
6 nal Revenue Code of 1986 is amended by striking  
7 “(c) and (d),” and inserting “(c), (d), and (e),”.

8 (2) Subsection (c) of such section is amended  
9 by striking the last sentence.

10 (3) Paragraph (2) of subsection (d) of such sec-  
11 tion is amended—

12 (A) by striking the first sentence, and

13 (B) by amending the heading of such para-  
14 graph to read as follows:

15 “(2) APPLICATION OF OVERPAYMENT AGAINST  
16 MULTIPLE DEBTS.—”.

17 **SEC. 3. ESTABLISHMENT OF HUNGER EMERGENCY ASSIST-**  
18 **ANCE AND RELIEF TRUST.**

19 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
20 Internal Revenue Code of 1986 (relating to establishment  
21 of trust funds) is amended by adding at the end the follow-  
22 ing new section:

1 **“SEC. 9512. HUNGER EMERGENCY ASSISTANCE AND RELIEF**  
2 **TRUST.**

3 “(a) IN GENERAL.—There is established in the  
4 Treasury of the United States a trust fund to be known  
5 as the ‘Hunger Emergency Assistance and Relief Trust’,  
6 consisting of such amounts as may be transferred or cred-  
7 ited to the Hunger Emergency Assistance and Relief  
8 Trust as provided in this section or section 9602(b).

9 “(b) TRANSFERS TO HUNGER EMERGENCY ASSIST-  
10 ANCE AND RELIEF TRUST OF AMOUNTS DESIGNATED TO  
11 THE TRUST BY TAXPAYERS.—The Secretary shall, from  
12 time to time, transfer to the trust an amount equal to  
13 the sum of the amounts by which overpayments of tax are  
14 reduced under section 6402(e).

15 “(c) EXPENDITURES FROM HUNGER EMERGENCY  
16 ASSISTANCE AND RELIEF TRUST.—Amounts in the Hun-  
17 ger Emergency Assistance and Relief Trust shall be made  
18 available to qualified hunger relief services organizations  
19 (as defined in section 9052(a)) as provided in section  
20 9051.”.

21 (b) CLERICAL AMENDMENT.—The table of sections  
22 for subchapter A of chapter 98 of such Code is amended  
23 by adding at the end the following new item:

“Sec. 9512. Hunger Emergency Assistance and Relief Trust.”.

1 **SEC. 4. DISTRIBUTION OF HUNGER RELIEF FUNDS.**

2 (a) IN GENERAL.—Subtitle H of the Internal Reve-  
 3 nue Code of 1986 (relating to financing of presidential  
 4 election campaigns) is amended by adding at the end the  
 5 following new chapter:

6 **“CHAPTER 97—DISTRIBUTION OF HUNGER**  
 7 **RELIEF FUNDS**

“SUBCHAPTER A. Distribution of funds.

“SUBCHAPTER B. Hunger Commission.

8 **“Subchapter A—Distribution of Funds**

“Sec. 9051. Payments to hunger relief services organizations.

“Sec. 9052. Definitions.

“Sec. 9053. Repayments.

“Sec. 9054. Prohibited acts.

“Sec. 9055. Authority of Hunger Commission to inform State at-  
 torney general of possible State law violations.

“Sec. 9056. Reports to Congress; regulations.

9 **“SEC. 9051. PAYMENTS TO HUNGER RELIEF SERVICES OR-**  
 10 **GANIZATIONS.**

11 “(a) AUTHORIZED BY HUNGER COMMISSION.—On  
 12 receipt of an authorization from the Hunger Commission  
 13 under section 9062(a) for payment to a qualified hunger  
 14 relief services organization, the Secretary shall pay to the  
 15 organization out of the Hunger Emergency Assistance and  
 16 Relief Trust established by section 9512 the amount au-  
 17 thorized by the Commission to be paid.

18 “(b) USE OF PAYMENTS.—

19 “(1) UNDER CONTROL OF PAYEE.—Amounts  
 20 paid to any qualified hunger relief services organiza-

1       tion under section 9512(c) (relating to expenditures  
2       from Hunger Emergency Assistance and Relief  
3       Trust) shall, subject to paragraph (2), be under the  
4       control of the organization.

5           “(2) LIMITATION ON ADMINISTRATIVE EX-  
6       PENSES.—An organization shall not use more than  
7       10 percent of the sum of any amount paid to it  
8       under section 9512(c) and any contribution made by  
9       it to match such paid amount, for administrative  
10      expenses.

11      “(c) NO ENTITLEMENT CREATED BY THIS CHAP-  
12      TER.—Nothing in this chapter shall be construed to create  
13      any entitlement to any payment under this chapter.

14      **“SEC. 9052. DEFINITIONS.**

15      “(a) QUALIFIED HUNGER RELIEF SERVICES ORGA-  
16      NIZATION.—For purposes of this chapter, the term ‘quali-  
17      fied hunger relief services organization’ means any organi-  
18      zation which—

19           “(1) is described in section 501(c)(3),

20           “(2) is exempt from Federal income taxation  
21      under section 501(a),

22           “(3) is recognized under the laws of the State  
23      in which it is organized and the laws of the State  
24      in which it maintains its principal place of business,

1 as a charitable organization which has as its prin-  
2 cipal purpose the relief of hunger,

3 “(4) has been in existence for at least 2 years,

4 “(5) uses not more than 22 percent of its an-  
5 nual budget for administrative costs and evidences  
6 such use in its annual report,

7 “(6) satisfies the Commission that the organi-  
8 zation has developed, and is able to implement, a  
9 hunger relief plan,

10 “(7) agrees in writing to obtain and furnish to  
11 the Commission such information or evidence as the  
12 Commission may request concerning the operations  
13 of the organization,

14 “(8) agrees in writing to keep and furnish to  
15 the Commission such records, books, and other in-  
16 formation as the Commission may request, and

17 “(9) agrees, on request of the Commission, to  
18 be audited and examined by the Commission, and to  
19 pay any amounts required to be paid under section  
20 9053.

21 “(b) HUNGER RELIEF PLAN.—For purposes of this  
22 chapter, the term ‘hunger relief plan’ means a plan for  
23 the amelioration or alleviation of actual or threatened star-  
24 vation or severe malnutrition of individuals.

1       “(c) COMMISSION.—For purposes of this chapter, the  
2 term ‘Commission’ means the Hunger Commission estab-  
3 lished by section 9061.

4       **“SEC. 9053. REPAYMENTS.**

5       “(a) IN GENERAL.—If the Commission determines  
6 that any organization receiving any amount under section  
7 9512(c) has engaged in any prohibited act described in  
8 section 9054—

9               “(1) the Commission shall notify the organiza-  
10 tion of the act and the amounts (if any) involved,

11               “(2) the organization shall pay to the Secretary  
12 of the Treasury an amount equal to the amounts (if  
13 any) involved, and

14               “(3) the Commission may direct the Secretary  
15 of the Treasury to deny the organization exemption  
16 from taxation under section 501(a) only for taxable  
17 years after the taxable year during which the prohib-  
18 ited act occurred.

19       “(b) DEPOSIT OF REPAYMENTS.—Any payment re-  
20 ceived by the Secretary of the Treasury under subsection  
21 (a)(2) shall be deposited in the Hunger Emergency Assist-  
22 ance and Relief Trust.

1 **“SEC. 9054. PROHIBITED ACTS.**

2 “It shall be unlawful for any organization which is  
3 paid any amount under section 9512(c) in respect of a  
4 hunger relief plan to do any of the following acts:

5 “(1) FAIL TO MATCH PAYMENT.—Fail to make  
6 a matching contribution to the hunger relief plan in  
7 an amount equal to such paid amount.

8 “(2) FAIL TO PROPERLY USE PAYMENT.—Fail  
9 to use such paid amount and the matching contribu-  
10 tion in connection with the hunger relief plan in re-  
11 spect of which such amount is paid.

12 “(3) INCUR EXCESSIVE ADMINISTRATIVE EX-  
13 PENSES.—Use more than 10 percent of any such  
14 paid amount or more than 10 percent of any match-  
15 ing contribution during any calendar year for admin-  
16 istrative expenses.

17 “(4) NOT COMPLY WITH CERTAIN COMMISSION  
18 REQUESTS.—Fail to comply with any request by the  
19 Commission described in paragraph (7), (8), or (9)  
20 of section 9052(a).

21 **“SEC. 9055. AUTHORITY OF HUNGER COMMISSION TO IN-**  
22 **FORM STATE ATTORNEY GENERAL OF POS-**  
23 **SIBLE STATE LAW VIOLATIONS.**

24 “The Commission may furnish the Attorney General  
25 of the State in which any organization receiving amounts  
26 under this chapter is organized or maintains its principal

1 place of business any information received by the Commis-  
 2 sion indicating that the organization may be in violation  
 3 of State law.

4 **“SEC. 9056. REPORTS TO CONGRESS; REGULATIONS.**

5       “(a) REPORTS.—On or before June 1, 1994, and an-  
 6 nually thereafter, the Commission shall submit to the  
 7 Committee on Appropriations of the House of Representa-  
 8 tives and the Committee on Appropriations of the Senate,  
 9 a report containing a detailed accounting of funds author-  
 10 ized to be paid from the Hunger Emergency Assistance  
 11 and Relief Trust.

12       “(b) REGULATIONS.—The Commission may prescribe  
 13 such regulations concerning the conduct of examinations  
 14 and audits, and the keeping and submission of records,  
 15 books, and other information, as it deems necessary to  
 16 carry out the functions and duties imposed on it by this  
 17 Chapter.

18       **“Subchapter B—Hunger Commission**

“Sec. 9061. Establishment.

“Sec. 9062. Duties.

“Sec. 9063. Membership.

“Sec. 9064. Term of office.

“Sec. 9065. Compensation of Commission members.

“Sec. 9066. Powers.

“Sec. 9067. Director and staff of Commission.

“Sec. 9068. Rules governing Commission meetings.

“Sec. 9069. Authorization of appropriations.

19 **“SEC. 9061. ESTABLISHMENT.**

20       “‘There is established a commission to be known as  
 21 the Hunger Commission.

1 **“SEC. 9062. DUTIES.**

2 “(a) DISTRIBUTION OF FUNDS TO QUALIFIED HUN-  
3 GER RELIEF SERVICES ORGANIZATIONS.—

4 “(1) MATCHING GRANTS.—The Commission  
5 shall direct the Secretary of the Treasury to pay  
6 from the Hunger Emergency Assistance and Relief  
7 Trust any amount the Commission deems appro-  
8 priate, to any qualified hunger relief services organi-  
9 zation for the purpose of providing hunger relief  
10 services under a hunger relief plan, if the organiza-  
11 tion agrees to, and demonstrates to the Commission  
12 the capacity to, contribute an amount for such pur-  
13 pose equal to the amount to be paid to the organiza-  
14 tion.

15 “(2) LIMITATION.—The Commission may not  
16 direct under subsection (a) the payment of more  
17 than \$100,000 to a single organization in a single  
18 fiscal year.

19 “(b) FUNDS TO BE DISTRIBUTED WITHIN 180  
20 DAYS.—Within 180 days after the date any amount is re-  
21 ceived in the Hunger Emergency Assistance and Relief  
22 Trust, the Commission shall authorize the payment of  
23 such amount to 1 or more qualified hunger relief services  
24 organizations.

25 “(c) AT LEAST 50 PERCENT OF FUNDS TO BE USED  
26 FOR DOMESTIC HUNGER RELIEF.—At least 50 percent of

1 amounts received into the Hunger Emergency Assistance  
2 and Relief Trust during any calendar year shall be paid  
3 to qualified hunger relief services organizations for the  
4 purpose of providing hunger relief services in the United  
5 States (or bearing administrative expenses associated with  
6 the provision of such services). To the extent practical,  
7 the Commission shall assure that both rural and urban  
8 areas of the United States receive a fair proportion of the  
9 hunger relief services provided in the United States under  
10 this chapter.

11 **“SEC. 9063. MEMBERSHIP.**

12       “(a) 5 MEMBERS.—The Commission shall consist of  
13 5 members.

14       “(b) APPOINTMENT.—

15               “(1) PRESIDENT APPOINTS 4.—During January  
16 1994, the President shall appoint 4 Commission  
17 members. 2 appointees shall be from the Democratic  
18 Party and the other 2 appointees shall be from the  
19 Republican Party.

20               “(2) PRESIDENTIAL APPOINTEES APPOINT  
21 CHAIR.—The 4 Commission members appointed  
22 under paragraph (1) shall appoint another individual  
23 to be the Chair of the Commission.

1       “(c) VACANCIES.—A vacancy in the Commission shall  
2 be filled in the manner in which the original appointment  
3 was made.

4 **“SEC. 9064. TERM OF OFFICE.**

5       “(a) 3 YEARS.—Appointment to the Commission  
6 shall be for a term of 3 years to begin on January 1, 1994,  
7 and every 3rd year thereafter.

8       “(b) EXCEPTIONS.—

9               “(1) FILLING OF VACANCY.—Any member ap-  
10 pointed to fill a vacancy occurring before the expira-  
11 tion of the term for which the predecessor for such  
12 member was appointed shall be appointed only for  
13 the remainder of such term.

14               “(2) SUCCESSION.—A member may serve after  
15 the expiration of the term of office of such member  
16 until his successor has taken office.

17 **“SEC. 9065. COMPENSATION OF COMMISSION MEMBERS.**

18       “Commission members shall not receive pay, allow-  
19 ances, or benefits by reason of their service on the Com-  
20 mission.

21 **“SEC. 9066. POWERS.**

22       “(a) HEARINGS.—The Commission, may, in the  
23 United States, for the purpose of performing its duties  
24 under this chapter, hold such hearings, sit and act at such  
25 times and places, take such testimony, receive such evi-

1 dence, and conduct such audits of organizations request-  
2 ing or receiving funds from the Commission, as the Com-  
3 mission considers appropriate. The Commission may ad-  
4 minister oaths or affirmations to witnesses appearing be-  
5 fore it.

6       “(b) OBTAINING OFFICIAL DATA.—The Commission  
7 may secure directly from any department or agency of the  
8 United States information necessary to enable it to per-  
9 form duties of the Commission under this chapter. On re-  
10 quest of the Chair of the Commission, the head of such  
11 department or agency shall furnish such information to  
12 the Commission.

13       “(c) SUBPOENAS.—

14               “(1) AUTHORITY TO ISSUE SUBPOENAS.—The  
15 Commission may issue subpoenas requiring wit-  
16 nesses to attend and testify and to produce evidence  
17 relating to any matter under investigation by the  
18 Commission. Such witness attendance and produc-  
19 tion of evidence may be required from any place  
20 within or without the United States at any des-  
21 ignated place of hearing in the United States.

22               “(2) GRANT OF IMMUNITY.—An individual may  
23 not be prosecuted or subjected to any penalty or for-  
24 feiture by reason of any transaction, matter, or  
25 thing concerning which such individual is compelled

1 to testify or produce evidence, after having claimed  
2 the privilege against self-incrimination, except such  
3 individual shall not be exempt from prosecution and  
4 punishment for perjury committed in so testifying.  
5 Excuse from attending and testifying or from pro-  
6 ducing books, records, correspondence, documents,  
7 or other evidence in obedience to a subpoena, on the  
8 ground that the testimony or evidence required of an  
9 individual may tend to incriminate or subject such  
10 individual to a penalty or forfeiture shall not be  
11 granted to any such individual.

12 “(3) CONSEQUENCES OF REFUSAL TO OBEY  
13 SUBPOENA.—Any individual issued a subpoena  
14 under this subsection who refuses to obey such sub-  
15 poena or is guilty of contumacy, may, on application  
16 by the Commission, be ordered by any court of the  
17 United States in the judicial district in which the  
18 hearing is conducted or within which such individual  
19 if found, resides, or transacts business, to appear be-  
20 fore the Commission to produce evidence or give tes-  
21 timony relating to any matter under investigation.  
22 Such court may punish any failure to obey such  
23 order as a contempt of such court.

24 “(4) SERVICE OF SUBPOENA.—Any subpoena  
25 by the Commission shall be served in the manner

1 provided for the service of subpoenas issued by a  
2 United States district court under the Federal Rules  
3 of Civil Procedure for the United States district  
4 courts.

5 “(5) SERVICE OF OTHER PROCESS.—Any other  
6 process of any court to which application may be  
7 made under this subsection shall be served in the ju-  
8 dicial district in which the person required to be  
9 served resides or is found.

10 “(d) GIFTS.—The Commission may accept, use, and  
11 dispose of gifts of money, services, or property.

12 “(e) MAILS.—The Commission may use the United  
13 States mails in the same manner and under the same con-  
14 ditions as other departments and agencies of the United  
15 States.

16 “(f) STAFF OF FEDERAL AGENCIES.—On request of  
17 the Chair of the Commission, the head of any Federal  
18 agency is authorized to detail, on a reimbursable basis,  
19 any personnel of such agency to the Commission to assist  
20 the Commission in carrying out its duties under this chap-  
21 ter.

22 “(g) ADMINISTRATIVE SUPPORT SERVICES.—The  
23 Administrator of General Services shall provide to the  
24 Commission, on a reimbursable basis, such administrative

1 support services as the Chair of the Commission may re-  
2 quest.

3 “(h) DELEGATION OF AUTHORITY TO MEMBERS AND  
4 AGENTS.—The Commission may delegate to any of its  
5 members or agents its authority to take any action author-  
6 ized by this section.

7 **“SEC. 9067. DIRECTOR AND STAFF OF COMMISSION.**

8 “(a) DIRECTOR.—The Commission may appoint a  
9 Director to be paid at a rate not to exceed the maximum  
10 rate of basic pay payable for GS-14 of the General Sched-  
11 ule.

12 “(b) STAFF.—With the approval of the Commission,  
13 the Director may appoint additional personnel subject to  
14 the provisions of title 5, United States Code, governing  
15 appointments in the competitive service, and such person-  
16 nel shall be paid in accordance with the provisions of chap-  
17 ter 51 and subchapter III of chapter 53 of such title relat-  
18 ing to classification and General Schedule pay rates.

19 “(c) EXPERTS AND CONSULTANTS.— Subject to such  
20 rules as may be prescribed by the Commission, the Direc-  
21 tor may procure temporary and intermittent services  
22 under section 3109(b) of title 5, United States Code.

23 **“SEC. 9068. RULES GOVERNING COMMISSION MEETINGS.**

24 “(a) QUORUM.—The Chair of the Commission and 2  
25 other Commission members shall constitute a quorum.

1       “(b) MEETINGS.—The Commission shall meet not  
2 less frequently than quarterly, at the call of a majority  
3 of its members, in sessions open to the public.

4       “(c) VOTING.—The Chair of the Commission shall  
5 not have the power to vote at any Commission meeting,  
6 except to break a tie.

7       **“SEC. 9069. AUTHORIZATION OF APPROPRIATIONS.**

8       “For administrative expenses, there are authorized to  
9 be appropriated to the Commission an amount not to ex-  
10 ceed \$150,000 for each fiscal year beginning after Sep-  
11 tember 30, 1993.”.

12       (b) CLERICAL AMENDMENTS.—

13               (1) Subtitle H of the Internal Revenue Code of  
14 1986 is amended by amending the heading for such  
15 subtitle to read as follows:

16       **“Subtitle H—Financing of Presidential Elec-**  
17       **tion Campaigns; Distribution of Hunger**  
18       **Relief Funds”**

19               (2) The table of chapters for such subtitle is  
20 amended by adding at the end the following new  
21 item:

                  “CHAPTER 97. Distribution of hunger relief funds.”.

22               (3) The table of subtitles for such Code is  
23 amended by amending the item relating to subtitle  
24 H by striking “campaigns.” and inserting “cam-  
25 paigns; distribution of hunger relief funds.”.

1 **SEC. 5. EFFECTIVE DATES.**

2 (a) ELECTION OF TAXPAYERS TO DIRECT INCOME  
3 TAX REFUNDS TO HUNGER EMERGENCY ASSISTANCE  
4 AND RELIEF TRUST.— The amendments made by section  
5 2 shall apply to taxable years beginning after Decem-  
6 ber 31, 1993.

7 (b) ESTABLISHMENT OF HUNGER EMERGENCY AS-  
8 SISTANCE AND RELIEF TRUST.—The amendments made  
9 by section 3 shall apply to the amounts received after De-  
10 cember 31, 1993.

11 (c) DISTRIBUTION OF HUNGER RELIEF FUNDS.—  
12 The amendments made by section 4 shall take effect on  
13 January 1, 1994.

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