

104TH CONGRESS  
1ST SESSION

# H. R. 2573

To amend the Federal Election Campaign Act of 1971 to eliminate PAC contributions to individual House of Representatives candidates, to provide a tax credit and tax deduction for contributions to such candidates, to provide for voluntary expenditure limitations in House of Representatives elections, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 1995

Mr. REGULA introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on Ways and Means and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Federal Election Campaign Act of 1971 to eliminate PAC contributions to individual House of Representatives candidates, to provide a tax credit and tax deduction for contributions to such candidates, to provide for voluntary expenditure limitations in House of Representatives 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. SHORT TITLE.**

2 This Act may be cited as the “Congressional Cam-  
3 paign and Administrative Reform Act of 1995”.

4 **SEC. 2. BAN ON CONTRIBUTIONS BY MULTICANDIDATE PO-**  
5 **LITICAL COMMITTEES TO CANDIDATES IN**  
6 **HOUSE OF REPRESENTATIVES ELECTIONS.**

7 Section 315(a)(2)(A) of the Federal Election Cam-  
8 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended  
9 by inserting after “\$5,000” the following: “, except that  
10 in the case of a candidate for the office of Representative  
11 in, or Delegate or Resident Commissioner to, the Con-  
12 gress, and the authorized committees of such a candidate,  
13 a multicandidate political committee may not make any  
14 contribution”.

15 **SEC. 3. INCOME TAX CREDIT FOR CONTRIBUTIONS TO**  
16 **HOUSE OF REPRESENTATIVES CAMPAIGNS.**

17 (a) GENERAL RULE.—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 22 the following new  
21 section:

22 **“SEC. 23. CONTRIBUTIONS TO HOUSE OF REPRESENTA-**  
23 **TIVES CAMPAIGNS.**

24 “(a) GENERAL RULE.—In the case of an individual,  
25 there shall be allowed as a credit against the tax imposed  
26 by this chapter for the taxable year an amount equal to

1 all House of Representatives campaign contributions made  
2 by the individual.

3 “(b) LIMITATION ON AMOUNT OF CREDIT.—The  
4 credit allowed by subsection (a) for a taxable year shall  
5 not exceed \$50 (\$100 in the case of a joint return).

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

7 “(1) HOUSE OF REPRESENTATIVES CAMPAIGN  
8 CONTRIBUTION.—

9 “(A) IN GENERAL.—The term ‘House of  
10 Representatives campaign contribution’ means  
11 a contribution or gift of money, payment of  
12 which is made during the taxable year, to an in-  
13 dividual who is a candidate for nomination or  
14 election to the office of Representative in, or  
15 Delegate or Resident Commissioner to, the Con-  
16 gress in any primary, general, or special elec-  
17 tion, and which—

18 “(i) is from a taxpayer (or either  
19 spouse in case of a joint return) who is a  
20 resident of the State in which the election  
21 is held; and

22 “(ii) is solely for use by the recipient  
23 to further his candidacy for nomination or  
24 election to such office.

1           “(B) STATE.—The term ‘State’ includes  
2           the District of Columbia, any possession of the  
3           United States, and the Commonwealth of Puer-  
4           to Rico.

5           “(2) CANDIDATE.—The term ‘candidate’ means  
6           an individual who—

7                   “(A) publicly announces before the close of  
8                   the calendar year following the calendar year in  
9                   which the contribution or gift is made that he  
10                  is a candidate for nomination or election to one  
11                  of the offices specified in paragraph (1)(A); and

12                   “(B) meets the qualifications prescribed by  
13                  law to hold such office.”

14           (b) CLERICAL AMENDMENT.—The table of sections  
15           for subpart A of part IV of subchapter A of chapter 1  
16           of such Code is amended by inserting after the item relat-  
17           ing to section 22 the following new item:

                  “Sec. 23. Contributions to House of Representatives campaigns.”

18           (c) EFFECTIVE DATE.—The amendments made by  
19           this section shall apply to contributions paid after Decem-  
20           ber 31, 1995, in taxable years ending after that date.

21           **SEC. 4. INCOME TAX DEDUCTION FOR CONTRIBUTIONS TO**  
22                                   **HOUSE OF REPRESENTATIVES CAMPAIGNS.**

23           (a) GENERAL RULE.—Part VII of subchapter B of  
24           chapter 1 of the Internal Revenue Code of 1986 (relating  
25           to additional itemized deductions for individuals) is

1 amended by inserting after section 217 the following new  
2 section:

3 **“SEC. 218. CONTRIBUTIONS TO HOUSE OF REPRESENTA-**  
4 **TIVES CAMPAIGNS.**

5 “(a) GENERAL RULE.—In the case of an individual,  
6 there shall be allowed as a deduction any House of Rep-  
7 resentatives campaign contribution which is made by such  
8 individual.

9 “(b) LIMITATIONS.—

10 “(1) AMOUNT ALLOWED AS CREDIT.—This sec-  
11 tion shall not apply with respect to any amount  
12 which is allowed as a credit under section 23 (relat-  
13 ing to contributions to House of Representatives  
14 campaigns).

15 “(2) AMOUNT OF DEDUCTION.—The deduction  
16 allowed by subsection (a) for a taxable year shall not  
17 exceed an aggregate of \$250 (\$500 in the case of a  
18 joint return).

19 “(c) DEFINITIONS.—Terms used in this section  
20 which are also used in section 23 (relating to contributions  
21 to House of Representatives campaigns) shall have the re-  
22 spective meanings given such terms by section 23(c).”

23 (b) CLERICAL AMENDMENT.—The table of sections  
24 for part VII of subchapter B of chapter 1 of such Code

1 is amended by inserting after the item relating to section  
2 217 the following new item:

“Sec. 218. Contributions to House of Representatives cam-  
paigns.”

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to contributions paid after Decem-  
5 ber 31, 1995, in taxable years ending after that date.

6 **SEC. 5. VOLUNTARY EXPENDITURE LIMITATIONS AND FREE**  
7 **BROADCAST TIME FOR HOUSE OF REP-**  
8 **RESENTATIVES GENERAL ELECTIONS.**

9 The Federal Election Campaign Act of 1971 (2  
10 U.S.C. 431 et seq.) is amended by adding at the end the  
11 following new title:

12 “TITLE V—VOLUNTARY EXPENDITURE LIMITA-  
13 TIONS AND FREE BROADCAST TIME FOR  
14 HOUSE OF REPRESENTATIVES GENERAL  
15 ELECTIONS

16 “SEC. 501. As used in this title, the term—

17 “(1) ‘eligible candidate’ means a candidate who  
18 is eligible under section 502 to receive free broadcast  
19 time;

20 “(2) ‘general election’ means any election which  
21 will directly result in the election of a person to the  
22 office of Representative in, or Delegate or Resident  
23 Commissioner to, the Congress but does not include  
24 an open primary election; and

1           “(3) ‘election cycle’ means the term beginning  
2           on the day after the date of the last previous general  
3           election for Representative in, or Delegate or Resi-  
4           dent Commissioner to, the Congress and ending on  
5           the date of the next general election.

6           “SEC. 502. (a) To be eligible to receive free broadcast  
7           time under section 315(c) of the Communications Act of  
8           1934 (47 U.S.C. 315(c)), a candidate for the office of  
9           Representative in, or Delegate or Resident Commissioner  
10          to, the Congress who qualifies for the general election bal-  
11          lot under State law shall, not later than 7 days after such  
12          qualification, agree in writing that the candidate and the  
13          candidate’s authorized committees—

14                 “(1) has not and will not make any expenditure  
15                 which exceeds the limitation under section 503;

16                 “(2) has not and will not accept any contribu-  
17                 tion which exceeds a limitation under section 315(a);

18                 “(3) will deposit all payments received under  
19                 this section in a separate checking account in a de-  
20                 pository institution referred to in section 302(h)(1),  
21                 which shall contain only amounts so received and  
22                 from which all expenditures of such amounts shall  
23                 be made; and

1           “(4) will furnish campaign records, evidence of  
2           contributions, and other appropriate information to  
3           the Commission.

4           “(b) To be eligible to receive free broadcast time  
5           under section 315(c) of the Communications Act of 1934  
6           (47 U.S.C. 315(c)), a candidate for the office of Rep-  
7           resentative in, or Delegate or Resident Commissioner to,  
8           the Congress who qualifies for the general election ballot  
9           under State law shall certify to the Commission that—

10           “(1) during the period beginning on January 1  
11           of the calendar year preceding the year of a general  
12           election, or in the case of a special election during  
13           the period beginning on the day on which the va-  
14           cancy occurs in the office involved, such candidate  
15           and the authorized committees of such candidate  
16           have received contributions aggregating 10 percent  
17           of the applicable limitation under section 503(b);

18           “(2) 80 percent of such contributions have  
19           come from individuals residing in such candidate’s  
20           State; and

21           “(3) at least one other candidate has qualified  
22           for the general election ballot.

23           “(c) For purposes of subsection (b)(1), in determin-  
24           ing the amount of contributions received by a candidate  
25           and the candidate’s authorized committees—

1           “(1) no contribution other than a contribution  
2 of money made by a written instrument which iden-  
3 tifies the person making the contribution shall be  
4 taken into account;

5           “(2) no contribution that is considered a con-  
6 tribution by an intermediary under section 315(a)(8)  
7 shall be taken into account; and

8           “(3) no contribution received from any person  
9 other than an individual shall be taken into account,  
10 and no contribution received from an individual shall  
11 be taken into account to the extent such contribution  
12 exceeds \$500 when added to the amount of all other  
13 contributions made by such individual to or for the  
14 benefit of such candidate during the applicable pe-  
15 riod specified in paragraph (1).

16       “SEC. 503. (a) A candidate who receives free broad-  
17 cast time under section 315(e) of the Communications Act  
18 of 1934 (47 U.S.C. 315(e)) for a general election shall  
19 not make expenditures during that election cycle from the  
20 personal funds of such candidate, which, in the aggregate,  
21 exceed \$40,000.

22       “(b) Except as provided in subsection (c) and section  
23 504, a candidate who receives free broadcast time under  
24 section 315(e) of the Communications Act of 1934 (47  
25 U.S.C. 315(e)) for a general election shall not make ex-

1 penditures during the election cycle that cover such gen-  
2 eral election which, in the aggregate, exceed \$500,000.

3 “(c) A candidate who receives free broadcast time  
4 under section 315(c) of the Communications Act of 1934  
5 (47 U.S.C. 315(c)) and who participates in a primary run-  
6 off election may make additional expenditures for such  
7 primary runoff election which in the aggregate do not ex-  
8 ceed \$150,000.

9 “(d) An eligible candidate may make expenditures  
10 without regard to the limitations set forth in this section  
11 if any candidate in the same general election makes aggre-  
12 gate expenditures during the election cycle which exceed  
13 the amount of the limitation set forth in subsection (b).

14 “(e) The limitations established by subsections (b)  
15 and (c) shall be adjusted in the manner provided in section  
16 315(c), except that, for the purposes of such adjustment,  
17 the base period shall be calendar year 1996.

18 “SEC. 504. An eligible candidate shall be entitled to  
19 receive free radio and television broadcast time under sec-  
20 tion 315(c) of the Communications Act of 1934 (47  
21 U.S.C. 315(c)).”.

1 **SEC. 6. ALLOCATION TO HOUSE OF REPRESENTATIVES**  
2 **CANDIDATES OF FREE BROADCAST TIME FOR**  
3 **POLITICAL ADVERTISING.**

4 (a) **CONDITION OF LICENSE RENEWAL.**—Section  
5 309(h) of the Communications Act of 1934 (47 U.S.C.  
6 309(h)) is amended by inserting before the period at the  
7 end thereof the following: “; and (4) every broadcast sta-  
8 tion license issued under this Act shall be subject to the  
9 free broadcast time obligations imposed by section  
10 315(e)”.

11 (b) **FREE TIME OBLIGATIONS.**—Section 315 of the  
12 Communications Act of 1934 (47 U.S.C. 315) is amend-  
13 ed—

14 (1) by redesignating subsections (c) and (d) as  
15 subsections (d) and (e), respectively; and

16 (2) by inserting after subsection (b) the follow-  
17 ing new subsection:

18 “(c)(1) Each licensee for a broadcasting station shall  
19 annually make available free broadcast time for political  
20 advertising in accordance with the requirements of this  
21 subsection. The Commission shall not renew the license  
22 of any licensee who substantially fails or refuses to comply  
23 with the requirements of this subsection, but such licensee  
24 shall not be subject to any other sanction or remedy for  
25 such failure or refusal.

1       “(2) A licensee subject to this subsection shall allot  
2 free broadcast time to each qualified political candidate  
3 in accordance with the following standards:

4           “(A) Such licensee shall allot an equal amount,  
5 but not less than 2 hours, of free broadcast time  
6 each even-numbered year to each qualified political  
7 candidate in a statewide or national election. In the  
8 case of a station whose market does not encompass  
9 all of a congressional district, such licensee may ap-  
10 portion to each qualified candidate from such dis-  
11 trict a fraction of such 2 hours that is equal to the  
12 fraction of such district’s population that resides  
13 within such market, as determined in accordance  
14 with regulations prescribed by the Commission.

15           “(B) The free broadcast time allotted to any  
16 candidate under subparagraph (A) shall be com-  
17 posed of units of varying lengths of not more than  
18 5 minutes nor less than 10 seconds, as determined  
19 by negotiation between such organization and the li-  
20 censee.

21           “(C) The broadcast time allotted by any li-  
22 censee shall be allotted so that—

23                   “(i) at least one-half is broadcast during  
24 the hours of 7:00 p.m. to 10:00 p.m.;

1           “(ii) during any election year, at least two-  
2 thirds is broadcast during the 2 months imme-  
3 diately preceding election day and at least one-  
4 half is broadcast during the 3 weeks imme-  
5 diately preceding election day;

6           “(iii) each qualified candidate is allotted  
7 free broadcast time that is comparable, by time  
8 of day and day of week, to the time allotted to  
9 other qualified candidates for the same office;  
10 and

11           “(iv) no broadcaster shall allot more than  
12 4½ hours per week of free broadcast time for  
13 political advertising and, if the amount of time  
14 required to or allotted by this paragraph would  
15 exceed 4½ hours, the time required to be allot-  
16 ted each qualified candidate shall be reduced  
17 proportionately.

18           “(D) The broadcast time shall be used solely  
19 for programming consisting of unedited segments in  
20 which the candidate speaks directly to the audience.

21           “(3) A candidate shall be treated as a qualified politi-  
22 cal candidate for purposes of paragraph (2)(A) if the can-  
23 didate is an eligible candidate for purposes of section 501  
24 of the Federal Election Campaign Act of 1971.

1       “(4) A licensee allots free broadcast time as required  
2 by this subsection by broadcasting statements without re-  
3 muneration or compensation in any form, whether by pub-  
4 lic or private funds, tax deduction or credit, or otherwise.

5       “(5) Nothing in this subsection, and no use of free  
6 broadcast time allotted under this subsection, shall be con-  
7 strued to restrict or otherwise affect the purchase of ad-  
8 vertising time under subsection (b) of this section.”.

9       **SEC. 7. BAN ON SOFT MONEY.**

10       (a) IN GENERAL.—Title III of the Federal Election  
11 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended  
12 by adding at the end the following new section:

13       “LIMITATIONS AND REPORTING REQUIREMENTS FOR  
14       AMOUNTS PAID FOR MIXED POLITICAL ACTIVITIES

15       “SEC. 323. (a) Any payment by the national commit-  
16 tee of a political party or a State committee of a political  
17 party for a mixed political activity—

18               “(1) shall be subject to limitation and reporting  
19       under this Act as if such payment were an expendi-  
20       ture; and

21               “(2) may be paid only from an account that is  
22       subject to the requirements of this Act.

23       “(b) As used in this section, the term ‘mixed political  
24       activity’ means, with respect to a payment by the national  
25       committee of a political party or a State committee of a  
26       political party, an activity, such as a voter registration

1 program, a get-out-the-vote drive, or general political ad-  
 2 vertising, that is both (1) for the purpose of influencing  
 3 an election for Federal office, and (2) for any purpose un-  
 4 related to influencing an election for Federal office.”.

5 (b) REPEAL OF BUILDING FUND EXCEPTION TO THE  
 6 DEFINITION OF THE TERM “CONTRIBUTION”.—Section  
 7 301(8)(B) of the Federal Election Campaign Act of 1971  
 8 (2 U.S.C. 431(8)(B)) is amended—

9 (1) by striking out clause (viii); and

10 (2) by redesignating clauses (ix) through (xiv)

11 as clauses (viii) through (xiii), respectively.

12 **SEC. 8. HOUSE OF REPRESENTATIVES ELECTION LIMITA-**  
 13 **TION ON CONTRIBUTIONS FROM PERSONS**  
 14 **OTHER THAN IN-STATE INDIVIDUAL RESI-**  
 15 **DENTS.**

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

19 “(i)(1) At least 80 percent of the contributions ac-  
 20 cepted by a candidate for the office of Representative in,  
 21 or Delegate or Resident Commissioner to, the Congress  
 22 with respect to a reporting period for an election shall be  
 23 from in-State individual residents.

24 “(2) As used in this subsection, the term ‘in-State  
 25 individual resident’ means an individual who resides in the

1 State in which the congressional district involved is lo-  
2 cated.

3 “(3)(A) Any candidate who accepts contributions that  
4 exceed the limitation under this subsection with respect  
5 to the pre-election report period or the post-election report  
6 period shall pay to the Commission, for deposit in the  
7 Treasury, an amount equal to 5 times the amount of the  
8 excess contributions plus a civil penalty in an amount de-  
9 termined by the Commission.

10 “(B) Any candidate who accepts contributions that  
11 exceed the limitation under this subsection with respect  
12 to a period other than a period referred to in subpara-  
13 graph (A) shall pay to the Commission, for deposit in the  
14 Treasury, an amount equal to 3 times the amount of the  
15 excess contributions.

16 “(C) Each report under section 304(a)(6) shall in-  
17 clude a certification by the treasurer of the committee that  
18 the contributions reported do not exceed the limitation  
19 under this subsection.”.

20 **SEC. 9. INCREASED LIMITATION AMOUNT FOR CERTAIN**  
21 **CONTRIBUTIONS TO POLITICAL COMMITTEES**  
22 **OF STATE POLITICAL PARTIES.**

23 Section 315(a)(1)(B) of the Federal Election Cam-  
24 paign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is amended  
25 by inserting after “national” the following: “or State”.

1 **SEC. 10. DISCLOSURE OF ELECTION-RELATED ACTIVITY BY**  
2 **CORPORATIONS, LABOR ORGANIZATIONS**  
3 **AND NONPROFIT ORGANIZATIONS.**

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) Any corporation, labor organization, or non-  
8 profit organization that makes a payment for a commu-  
9 nication or other activity that—

10 “(1) relates to any election for Federal office;

11 and

12 “(2) in the case of a corporation or labor orga-  
13 nization, by reason of subparagraph (A) or (B) of  
14 paragraph (2) of section 316(b), is not a contribu-  
15 tion or expenditure;

16 shall report such payment to the Commission in the same  
17 manner as a contribution or expenditure, as the case may  
18 be, is reported by a principal campaign committee of a  
19 candidate for the House of Representatives or the Senate  
20 under this section.”.

21 **SEC. 11. PROHIBITION OF BUNDLING OF CONTRIBUTIONS**  
22 **TO CANDIDATES BY POLITICAL ACTION COM-**  
23 **MITTEES AND LOBBYISTS.**

24 Section 316 of the Federal Election Campaign Act  
25 of 1971 (2 U.S.C. 441b) is amended by adding at the end  
26 the following new subsection:

1 “(c) No nonparty multicandidate political committee  
2 or person required to register under the Federal Regula-  
3 tion of Lobbying Act (2 U.S.C. 261 et seq.) may act as  
4 an intermediary or conduit with respect to a contribution  
5 to a candidate for Federal office.”.

6 **SEC. 12. PROHIBITION OF LEADERSHIP COMMITTEES; RE-**  
7 **STRICTION ON CONTRIBUTIONS BETWEEN**  
8 **PRINCIPAL CAMPAIGN COMMITTEES.**

9 (a) LEADERSHIP COMMITTEE PROHIBITION.—Sec-  
10 tion 302 of the Federal Election Campaign Act of 1971  
11 (2 U.S.C. 432) is amended by adding at the end the fol-  
12 lowing new subsection:

13 “(j) A candidate for Federal office may not establish,  
14 maintain, finance, or control a political committee, other  
15 than the principal campaign committee of the candidate.”.

16 (b) PRINCIPAL CAMPAIGN COMMITTEE RESTRIC-  
17 TION.—Section 315 of the Federal Election Campaign Act  
18 of 1971 (2 U.S.C. 441a), as amended by section 8, is fur-  
19 ther amended by adding at the end the following new sub-  
20 section:

21 “(j) A principal campaign committee of a candidate  
22 for Federal office may not make any contribution to any  
23 other principal campaign committee (other than the prin-  
24 cipal campaign committee of the same individual as a can-  
25 didate for another Federal office).”.

1 **SEC. 13. SEVERABILITY.**

2 If any provision of this Act or any amendment made  
3 by this Act, or the application of any such provision to  
4 any person or circumstance is held invalid, the validity of  
5 any other such provision, and the application of such pro-  
6 vision to other persons and circumstances shall not be af-  
7 fected thereby.

8 **SEC. 14. EFFECTIVE DATE.**

9 This Act and the amendments made by this Act, ex-  
10 cept for such sections specifically designated otherwise,  
11 shall become effective on November 6, 1996, and shall  
12 apply to all contributions and expenditures made after  
13 such date.

○

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