

107TH CONGRESS
1ST SESSION

S. 527

To amend the Internal Revenue Code of 1986 to exempt State and local political committees from duplicative notification and reporting requirements made applicable to political organizations by Public Law 106–230.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2001

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

A BILL

To amend the Internal Revenue Code of 1986 to exempt State and local political committees from duplicative notification and reporting requirements made applicable to political organizations by Public Law 106–230.

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. EXEMPTION FOR STATE AND LOCAL POLITICAL**
4 **COMMITTEES FROM NOTIFICATION AND RE-**
5 **PORTING REQUIREMENTS IMPOSED BY PUB-**
6 **LIC LAW 106–230.**

7 (a) EXEMPTION FROM NOTIFICATION REQUIRE-
8 MENTS.—Paragraph (5) of section 527(i) of the Internal

1 Revenue Code of 1986 (relating to organizations must no-
2 tify Secretary that they are section 527 organizations) is
3 amended by striking “or” at the end of subparagraph (A),
4 by striking the period at the end of subparagraph (B) and
5 inserting “, or”, and by adding at the end the following
6 new subparagraph:

7 “(C) which—

8 “(i) engages in exempt function activ-
9 ity solely in the attempt to influence the
10 selection, nomination, election, or appoint-
11 ment of any individual to any State or
12 local public office or office in a State or
13 local political organization, and

14 “(ii) is subject to State or local con-
15 tribution and expenditure reporting re-
16 quirements relating to selections, nomina-
17 tions, elections, and appointments to such
18 offices, and reports under such require-
19 ments are publicly available.”.

20 (b) EXEMPTION FROM REPORTING REQUIRE-
21 MENTS.—Paragraph (5) of section 527(j) of such Code
22 (relating to required disclosures of expenditures and con-
23 tributions) is amended by striking “or” at the end of sub-
24 paragraph (D), by striking the period at the end of sub-

1 paragraph (E) and inserting “, or”, and by adding at the
 2 end the following new subparagraph:

3 “(F) to any organization which—

4 “(i) engages in exempt function activ-
 5 ity solely in the attempt to influence the
 6 selection, nomination, election, or appoint-
 7 ment of any individual to any State or
 8 local public office or office in a State or
 9 local political organization, and

10 “(ii) is subject to State or local con-
 11 tribution and expenditure reporting re-
 12 quirements relating to selections, nomina-
 13 tions, elections, and appointments to such
 14 offices, and reports under such require-
 15 ments are publicly available.”.

16 (c) EXEMPTION FROM REQUIREMENTS FOR ANNUAL
 17 RETURN BASED ON GROSS RECEIPTS.—Paragraph (6) of
 18 section 6012(a) of such Code is amended by striking “sec-
 19 tion)” and inserting “section and an organization de-
 20 scribed in section 527(i)(5)(C)”.

21 (d) EFFECTIVE DATE.—The amendments made by
 22 this section shall take effect as if included in the amend-
 23 ments made by Public Law 106–230.

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