

118TH CONGRESS
1ST SESSION

H. R. 6408

To amend the Internal Revenue Code of 1986 to terminate the tax-exempt status of terrorist supporting organizations.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 14, 2023

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

A BILL

To amend the Internal Revenue Code of 1986 to terminate the tax-exempt status of terrorist supporting organizations.

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. TERMINATION OF TAX-EXEMPT STATUS OF**
4 **TERRORIST SUPPORTING ORGANIZATIONS.**

5 (a) IN GENERAL.—Section 501(p) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new paragraph:

8 “(8) APPLICATION TO TERRORIST SUPPORTING
9 ORGANIZATIONS.—

1 “(A) IN GENERAL.—For purposes of this
2 subsection, in the case of any terrorist sup-
3 porting organization—

4 “(i) such organization (and the des-
5 ignation of such organization under sub-
6 paragraph (B)) shall be treated as de-
7 scribed in paragraph (2), and

8 “(ii) the period of suspension de-
9 scribed in paragraph (3) with respect to
10 such organization shall be treated as begin-
11 ning on the date that the Secretary des-
12 ignates such organization under subpara-
13 graph (B) and ending on the date that the
14 Secretary rescinds such designation under
15 subparagraph (D).

16 “(B) TERRORIST SUPPORTING ORGANIZA-
17 TION.—For purposes of this paragraph, the
18 term ‘terrorist supporting organization’ means
19 any organization which is designated by the
20 Secretary as having provided, during the 3-year
21 period ending on the date of such designation,
22 material support or resources (within the mean-
23 ing of section 2339B of title 18, United States
24 Code) to an organization described in para-
25 graph (2) (determined after the application of

1 this paragraph to such organization) in excess
2 of a de minimis amount.

3 “(C) DESIGNATION PROCEDURE.—

4 “(i) NOTICE REQUIREMENT.—Prior to
5 designating any organization as a terrorist
6 supporting organization under subpara-
7 graph (B), the Secretary shall mail to the
8 most recent mailing address provided by
9 such organization on the organization’s an-
10 nual return under section 6033 (or subse-
11 quent form indicating a change of address)
12 a written notice which includes—

13 “(I) a statement that the Sec-
14 retary will designate such organization
15 as a terrorist supporting organization
16 unless the organization satisfies the
17 requirements of subclause (I) or (II)
18 of clause (ii),

19 “(II) the name of the organiza-
20 tion or organizations with respect to
21 which the Secretary has determined
22 such organization provided material
23 support or sources as described in
24 subparagraph (B), and

1 “(III) a description of such mate-
2 rial support or resources.

3 “(ii) OPPORTUNITY TO CURE.—In the
4 case of any notice provided to an organiza-
5 tion under clause (i), the Secretary shall,
6 at the close of the 90-day period beginning
7 on the date that such notice was sent, des-
8 ignate such organization as a terrorist or-
9 ganization under subparagraph (B) if (and
10 only if) such organization has not (during
11 such period)—

12 “(I) demonstrated to the satisfac-
13 tion of the Secretary that such organi-
14 zation did not provide the material
15 support or resources referred to in
16 subparagraph (B), or

17 “(II) made reasonable efforts to
18 have such support or resources re-
19 turned to such organization and cer-
20 tified in writing to the Secretary that
21 such organization will not provide any
22 further support or resources to orga-
23 nizations described in paragraph (2).

24 A certification under subclause (II) shall
25 not be treated as valid if the organization

1 making such certification has provided any
2 other such certification during the pre-
3 ceding 5 years.

4 “(D) RESCISSION.—The Secretary shall re-
5 scind a designation under subparagraph (B) if
6 (and only if)—

7 “(i) the Secretary determines that
8 such designation was erroneous,

9 “(ii) after the Secretary receives a
10 written certification from an organization
11 that such organization did not receive the
12 notice described in subparagraph (C)(i)—

13 “(I) the Secretary determines
14 that it is reasonable to believe that
15 such organization did not receive such
16 notice, and

17 “(II) such organization satisfies
18 the requirements of subclause (I) or
19 (II) of subparagraph (C)(ii) (deter-
20 mined after taking into account the
21 last sentence thereof), or

22 “(iii) the Secretary determines, with
23 respect to all organizations to which the
24 material support or resources referred to
25 in subparagraph (B) were provided, the pe-

1 riods of suspension under paragraph (3)
2 have ended.

3 A certification described in the matter pre-
4 ceding subclause (I) of clause (II) shall not be
5 treated as valid if the organization making such
6 certification has provided any other such certifi-
7 cation during the preceding 5 years.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to designations made after the date
10 of the enactment of this Act in taxable years ending after
11 such date.

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