

111TH CONGRESS
1ST SESSION

H. R. 726

To amend the Internal Revenue Code of 1986 to provide a credit and a deduction for small political contributions.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2009

Mr. PETRI (for himself and Mr. KANJORSKI) 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 provide a credit and a deduction for small political 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 “Citizen Involvement
5 in Campaigns Act of 2009”.

6 **SEC. 2. TAX CREDIT FOR CERTAIN POLITICAL CONTRIBU-**
7 **TIONS.**

8 (a) IN GENERAL.—Subpart A of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25D the following new
2 section:

3 **“SEC. 25E. CREDIT FOR CERTAIN POLITICAL CONTRIBU-**
4 **TIONS.**

5 “(a) IN GENERAL.—In the case of an individual,
6 there shall be allowed as a credit against the tax imposed
7 by this chapter for the taxable year an amount equal to
8 all qualified political contributions paid by the taxpayer
9 during the taxable year.

10 “(b) LIMITATIONS.—

11 “(1) MAXIMUM CREDIT.—The credit allowed by
12 subsection (a) shall not exceed \$200 (\$400 in the
13 case of a joint return).

14 “(2) VERIFICATION.—The credit allowed by
15 subsection (a) shall be allowed with respect to any
16 qualified political contribution only if such contribu-
17 tion is verified in such manner as the Secretary shall
18 prescribe by regulation.

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

20 “(1) QUALIFIED POLITICAL CONTRIBUTION.—

21 The term ‘qualified political contribution’ means a
22 contribution or gift of money, or the fair market
23 value of a contribution or gift of property, to—

24 “(A) an individual who is a candidate for
25 nomination or election to any Federal elective

1 public office in any primary, general, or special
2 election, for use by such individual to further
3 the candidacy of the individual for nomination
4 or election to such office, or

5 “(B) the national committee of a national
6 political party.

7 “(2) CANDIDATE.—The term ‘candidate’
8 means, with respect to any Federal elective public
9 office, an individual who—

10 “(A) publicly announces before the close of
11 the calendar year following the calendar year in
12 which the political contribution is made that the
13 individual is a candidate for nomination or elec-
14 tion to such office; and

15 “(B) meets the qualifications prescribed by
16 law to hold such office.

17 “(3) NATIONAL POLITICAL PARTY.—The term
18 ‘national political party’ means—

19 “(A) in the case of qualified political con-
20 tributions made during a taxable year of the
21 taxpayer in which the electors of President and
22 Vice President are chosen, a political party pre-
23 senting candidates or electors for such offices
24 on the official election ballot of ten or more
25 States; or

1 “(B) in the case of qualified political con-
2 tributions made during any other taxable year
3 of the taxpayer, a political party which met the
4 qualifications described in subparagraph (A) in
5 the last preceding election of a President and
6 Vice President.

7 “(d) ELECTION NOT TO HAVE SECTION APPLY.—
8 A taxpayer may elect not to have this section apply with
9 respect to qualified political contributions made during the
10 taxable year.

11 “(e) CROSS REFERENCES.—

12 “(1) For transfer of appreciated property to a
13 political organization, see section 84.

14 “(2) For certain indirect contributions to polit-
15 ical parties, see section 276.”.

16 (b) CONFORMING AMENDMENT.—The table of sec-
17 tions for subpart A of part IV of subchapter A of chapter
18 1 of such Code (relating to nonrefundable personal cred-
19 its) is amended by inserting after the item relating to sec-
20 tion 25D the following new item:

“Sec. 25E. Credit for certain political contributions.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31 of the calendar year in which this Act is
24 enacted.

1 **SEC. 3. DEDUCTION FOR CERTAIN POLITICAL CONTRIBU-**
2 **TIONS.**

3 (a) IN GENERAL.—Part VII of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 is amended
5 by redesignating section 224 as section 225 and by insert-
6 ing after section 223 the following new section:

7 **“SEC. 224. POLITICAL CONTRIBUTIONS.**

8 “(a) IN GENERAL.—In the case of an individual,
9 there shall be allowed as a deduction for the taxable year
10 an amount equal to the qualified political contributions
11 made by the taxpayer during the taxable year.

12 “(b) LIMITATION.—The amount allowed as a deduc-
13 tion under subsection (a) for the taxable year shall not
14 exceed \$600 (\$1200 in the case of a joint return).

15 “(c) QUALIFIED POLITICAL CONTRIBUTION.—For
16 purposes of this section, the term ‘qualified political con-
17 tribution’ shall have the meaning given such term by sec-
18 tion 25E(c)(1).

19 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
20 shall be allowed under subsection (a) to a taxpayer for
21 any qualified political contribution made during the tax-
22 able year if a credit is allowed to such taxpayer under sec-
23 tion 25E for such year.”.

24 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
25 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)

1 of section 62 of such Code is amended by inserting before
2 the last sentence at the end the following new paragraph:

3 “(22) QUALIFIED POLITICAL CONTRIBU-
4 TIONS.—The deduction allowed by section 224.”.

5 (c) CLERICAL AMENDMENT.—The table of sections
6 for part VII of subchapter B of chapter 1 of such Code
7 is amended by redesignating the item relating to section
8 224 as an item relating to section 225 and by inserting
9 before such item the following new item:

“Sec. 224. Political contributions.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31 of the calendar year in which this Act is
13 enacted.

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