To amend the Internal Revenue Code of 1986 to reform the system of public financing for Presidential elections, to establish a system of public financing for Congressional elections, to promote the disclosure of disbursements made in coordination with campaigns for election for Federal office, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2013

Mr. Price of North Carolina (for himself, Mr. Van Hollen, Mr. Jones, Mr. Larson of Connecticut, Mr. Brady of Pennsylvania, Mr. Sarbanes, Mr. Yarmuth, Ms. Eshoo, Mr. George Miller of California, Mr. Polis, Mr. Holt, Mr. Nolan, and Mr. O’Rourke) introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committee on Ways and Means, 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.

A BILL

To amend the Internal Revenue Code of 1986 to reform the system of public financing for Presidential elections, to establish a system of public financing for Congressional elections, to promote the disclosure of disbursements made in coordination with campaigns for election for Federal office, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Empowering Citizens Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REFORM OF PRESIDENTIAL ELECTION FINANCING

Subtitle A—Primary Elections

Sec. 101. Increase in and modifications to matching payments.
Sec. 102. Eligibility requirements for matching payments.
Sec. 103. Inflation adjustment for matching contributions.
Sec. 104. Repeal of expenditure limitations.
Sec. 105. Period of availability of matching payments.
Sec. 106. Examination and audits of matchable contributions.
Sec. 107. Modification to limitation on contributions for Presidential primary candidates.

Subtitle B—General Elections

Sec. 111. Modification of eligibility requirements for public financing.
Sec. 112. Repeal of expenditure limitations and use of qualified campaign contributions.
Sec. 113. Matching payments and other modifications to payment amounts.
Sec. 114. Inflation adjustment for payment amounts.
Sec. 115. Increase in limit on coordinated party expenditures.
Sec. 116. Establishment of uniform date for release of payments.
Sec. 117. Amounts in Presidential Election Campaign Fund.
Sec. 118. Use of general election payments for general election legal and accounting compliance.

Subtitle C—Political Conventions

Sec. 121. Repeal of public financing of party conventions.
Sec. 122. Contributions for political conventions.
Sec. 123. Prohibition on use of soft money.

TITLE II—PUBLIC FINANCING FOR CONGRESSIONAL ELECTION CAMPAIGNS

Sec. 201. Benefits and eligibility requirements for Congressional candidates.

“TITLE V—PUBLIC FINANCING OF CONGRESSIONAL ELECTION CAMPAIGNS

“Subtitle A—Benefits

“Sec. 502. Administration of payments.
“Sec. 503. Qualified contribution defined.
“Subtitle B—Eligibility and Certification

“Sec. 511. Eligibility.
“Sec. 512. Qualified contribution requirements.
“Sec. 513. Certification.

“Subtitle C—Requirements for Candidates Certified as Participating Candidates

“Sec. 521. Restrictions on certain contributions and expenditures.
“Sec. 522. Remitting unspent funds after election.

“Subtitle D—Administrative Provisions

“Sec. 531. Administration by Commission.
“Sec. 532. Violations and penalties.
“Sec. 533. Election cycle defined.

Sec. 202. Permitting unlimited coordinated expenditures by political party committees on behalf of participating candidates if expenditures are derived from small dollar contributions.

Sec. 203. Prohibiting use of contributions by participating candidates for purposes other than campaign for election.

TITLE III—COORDINATED CAMPAIGN ACTIVITY

Sec. 301. Clarification of treatment of coordinated expenditures as contributions to candidates.
Sec. 302. Clarification of ban on fundraising for super PACs by Federal candidates and officeholders.

TITLE IV—USE OF PRESIDENTIAL ELECTION CAMPAIGN FUND FOR PUBLIC FINANCING OF FEDERAL ELECTIONS

Sec. 401. Use of Presidential Election Campaign Fund for Congressional candidates.
Sec. 402. Revisions to designation of income tax payments by individual taxpayers.
Sec. 403. Donation to Presidential Election Campaign Fund.

TITLE V—OTHER CAMPAIGN FINANCE REFORMS

Sec. 501. Regulations with respect to best efforts for identifying persons making contributions.
Sec. 502. Prohibition on joint fundraising committees.
Sec. 503. Disclosure of bundled contributions to Presidential campaigns.
Sec. 504. Judicial review of actions related to campaign finance laws.

TITLE VI—SEVERABILITY; EFFECTIVE DATE

Sec. 601. Severability.
Sec. 602. Effective date.
TITLE I—REFORM OF PRESIDENTIAL ELECTION FINANCING

Subtitle A—Primary Elections

SEC. 101. INCREASE IN AND MODIFICATIONS TO MATCHING PAYMENTS.

(a) INCREASE AND MODIFICATION.—

(1) IN GENERAL.—The first sentence of section 9034(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking “an amount equal to the amount of each contribution” and inserting “an amount equal to 500 percent of the amount of each matchable contribution (disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person for the election exceeds $250)”;

and

(B) by striking “authorized committees” and all that follows through “$250” and inserting “authorized committees”.

(2) MATCHABLE CONTRIBUTIONS.—Section 9034 of such Code is amended—

(A) by striking the last sentence of subsection (a); and
(B) by inserting after subsection (b) the following new subsection:

“(c) Matchable Contribution Defined.—For purposes of this section and section 9033(b)—

“(1) Matchable contribution.—The term ‘matchable contribution’ means, with respect to the nomination for election to the office of President of the United States, a contribution by an individual to a candidate or an authorized committee of a candidate with respect to which the candidate has certified in writing that—

“(A) the individual making such contribution has not made aggregate contributions (including such matchable contribution) to such candidate and the authorized committees of such candidate in excess of 50% of the limit applicable under paragraph (1)(A) or paragraph (2)(A) of section 315(a) of the Federal Election Campaign Act of 1971 to the amount of a contribution which may be made to a candidate who is not eligible to receive payments under section 9037 with respect to such nomination;

“(B) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including
such matchable contribution) aggregating more
than the amount described in subparagraph
(A); and

“(C) such contribution was not—

“(i) forwarded from the contributor
from any person other than an individual,
or

“(ii) received by the candidate or com-
mittee from a contributor or contributors,
but credited by the committee or candidate
to another person who is not an individual
through records, designations, or other
means of recognizing that a certain
amount of money has been raised by such
person.

“(2) CONTRIBUTION.—For purposes of this
subsection, the term ‘contribution’ means a gift of
money made by a written instrument which identi-
fies the individual making the contribution by full
name and mailing address, but does not include a
subscription, loan, advance, or deposit of money, or
anything of value or anything described in subpara-
graph (B), (C), or (D) of section 9032(4).”.

(3) CONFORMING AMENDMENTS.—
(A) Section 9032(4) of such Code is amended by striking “section 9034(a)” and inserting “section 9034”.

(B) Section 9033(b)(3) of such Code is amended by striking “matching contributions” and inserting “matchable contributions”.

(b) MODIFICATION OF PAYMENT LIMITATION.—Section 9034(b) of such Code is amended by striking “shall not exceed” and all that follows and inserting “shall not exceed $100,000,000.”

SEC. 102. ELIGIBILITY REQUIREMENTS FOR MATCHING PAYMENTS.

(a) AMOUNT OF AGGREGATE CONTRIBUTIONS PER STATE; DISREGARDING OF AMOUNTS CONTRIBUTED IN EXCESS OF $250.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking “$5,000” and inserting “$25,000”; and

(2) by striking “20 States” and inserting the following: “20 States (disregarding any amount of contributions from any such resident to the extent that the total of the amounts contributed by such resident for the election exceeds $250)’’.

(b) CONTRIBUTION LIMIT.—
(1) IN GENERAL.—Paragraph (4) of section 9033(b) of such Code is amended to read as follows:

“(4) the candidate and the authorized committees of the candidate will not accept aggregate contributions from any person with respect to the nomination for election to the office of President of the United States in excess of 50% of the limit applicable under paragraph (1)(A) or paragraph (2)(A) of section 315(a) of the Federal Election Campaign Act of 1971 to the amount of a contribution which may be made to a candidate who is not eligible to receive payments under section 9037 with respect to such nomination.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 9033(b) of such Code is amended by adding at the end the following new flush sentence:

“For purposes of paragraph (4), the term ‘contribution’ has the meaning given such term in section 301(8) of the Federal Election Campaign Act of 1971.”.

(B) Section 9032(4) of such Code, as amended by section 101(a)(3)(A) is amended by inserting “or 9033(b)” after “9034”.
(c) Ban on Acceptance of Bundled Contributions.—Section 9033(b) of such Code, as amended by subsection (b), is amended—

(1) by striking “and” at the end of paragraph (3); 
(2) by striking the period at the end of paragraph (4) and inserting “, and”; and 
(3) by adding at the end the following new paragraph:

“(5) the candidate and the authorized committee of the candidate will not accept any bundled contribution (as defined in section 304(i)(8)) forwarded by or credited to a person described in section 304(i)(7).”.

(d) Participation in System for Payments for General Election.—Section 9033(b) of such Code, as amended by subsection (c), is amended—

(1) by striking “and” at the end of paragraph (4); 
(2) by striking the period at the end of paragraph (5) and inserting “, and”; and 
(3) by adding at the end the following new paragraph:

“(6) if the candidate is nominated by a political party for election to the office of President, the can-
didate will apply for and accept payments with respect to the general election for such office in accordance with chapter 95.”.

SEC. 103. INFLATION ADJUSTMENT FOR MATCHING CONTRIBUTIONS.

Section 9033 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) INFLATION ADJUSTMENTS.—

“(1) IN GENERAL.—In the case of any applicable period beginning after 2013, each of the dollar amounts in section 9034(b) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year following the year which such applicable period begins, determined by substituting ‘calendar year 2013’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) APPLICABLE PERIOD.—For purposes of this subsection, the term ‘applicable period’ means the 4-year period beginning with the first day following the date of the last general election for the
office of President and ending on the date of the
next such general election.

“(3) ROUNDING.—If any amount as adjusted
under paragraph (1) is not a multiple of $100, such
amount shall be rounded to the nearest multiple of
$100.”.

SEC. 104. REPEAL OF EXPENDITURE LIMITATIONS.

(a) IN GENERAL.—Subsection (a) of section 9035 of
the Internal Revenue Code of 1986 is amended to read
as follows:

“(a) PERSONAL EXPENDITURE LIMITATION.—No
candidate shall knowingly make expenditures from his per-
sonal funds, or the personal funds of his immediate family,
in connection with his campaign for nomination for elec-
tion to the office of President in excess of, in the aggre-
gate, $50,000.”.

(b) CONFORMING AMENDMENT.—Paragraph (1) of
section 9033(b) of the Internal Revenue Code of 1986 is
amended to read as follows:

“(1) the candidate will comply with the per-
sonal expenditure limitation under section 9035,”.

SEC. 105. PERIOD OF AVAILABILITY OF MATCHING PAY-
MENTS.

Section 9032(6) of the Internal Revenue Code of
1986 is amended by striking “the beginning of the cal-
endar year in which a general election for the office of President of the United States will be held’’ and inserting “the date that is 6 months prior to the date of the earliest State primary election’’.

SEC. 106. EXAMINATION AND AUDITS OF MATCHABLE CONTRIBUTIONS.

Section 9038(a) of the Internal Revenue Code of 1986 is amended by inserting “and matchable contributions accepted by” after “qualified campaign expenses of”.

SEC. 107. MODIFICATION TO LIMITATION ON CONTRIBUTIONS FOR PRESIDENTIAL PRIMARY CANDIDATES.

Section 315(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(6)) is amended by striking “calendar year” and inserting “four-year election cycle”.

Subtitle B—General Elections

SEC. 111. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR PUBLIC FINANCING.

Subsection (a) of section 9003 of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) IN GENERAL.—In order to be eligible to receive any payments under section 9006, the candidates of a political party in a presidential election shall meet the following requirements:
“(1) Participation in primary payment system.—The candidate for President received payments under chapter 96 for the campaign for nomination for election to be President.

“(2) Agreements with commission.—The candidates, in writing—

“(A) agree to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses of such candidates,

“(B) agree to keep and furnish to the Commission such records, books, and other information as it may request, and

“(C) agree to an audit and examination by the Commission under section 9007 and to pay any amounts required to be paid under such section.

“(3) Ban on certain contributions and solicitations.—The candidates certify to the Commission, under penalty of perjury, the following:

“(A) Bundled contributions.—Such candidates and the authorized committees of such candidates will not accept any bundled contribution (as defined in section 304(i)(8))
forwarded by or credited to a person described in section 304(i)(7).

“(B) SOLICITATIONS FOR JOINT FUND-RAISING COMMITTEES.—Such candidates and their authorized committees will not, after June 1 of the election year, solicit any funds for any joint fundraising committee that includes any committee of a political party.

“(C) SOLICITATION FOR POLITICAL PARTIES.—Such candidates and their authorized committees will not, after June 1 of the year in which the election is held, solicit any funds for any committee of a political party.

Such certification shall be made within such time prior to the day of the presidential election as the Commission shall prescribe by rules or regulations.”.

SEC. 112. REPEAL OF EXPENDITURE LIMITATIONS AND USE OF QUALIFIED CAMPAIGN CONTRIBUTIONS.

(a) USE OF QUALIFIED CAMPAIGN CONTRIBUTIONS WITHOUT EXPENDITURE LIMITS; APPLICATION OF SAME REQUIREMENTS FOR MAJOR, MINOR, AND NEW PARTIES.—Section 9003 of the Internal Revenue Code of 1986 is amended by striking subsections (b) and (c) and inserting the following:
“(b) Use of Qualified Campaign Contributions To Defray Expenses.—

“(1) In general.—In order to be eligible to receive any payments under section 9006, the candidates of a party in a presidential election shall certify to the Commission, under penalty of perjury, that—

“(A) such candidates and their authorized committees have not and will not accept any contributions to defray qualified campaign expenses other than—

“(i) qualified campaign contributions,

and

“(ii) contributions to the extent necessary to make up any deficiency payments received out of the fund on account of the application of section 9006(c), and

“(B) such candidates and their authorized committees have not and will not accept any contribution to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11).

“(2) Timing of certification.—The candidate shall make the certification required under this subsection at the same time the candidate
makes the certification required under subsection (a)(3).”.

(b) Definition of Qualified Campaign Contribution.—Section 9002 of such Code is amended by adding at the end the following new paragraph:

“(13) Qualified campaign contribution.—

The term ‘qualified campaign contribution’ means, with respect to any election for the office of President of the United States, a contribution from an individual to a candidate or an authorized committee of a candidate which—

“(A) is made after June 1 of the year in which the election is held;

“(B) does not exceed 50% of the limit applicable under paragraph (1)(A) or paragraph (2)(A) of section 315(a) of the Federal Election Campaign Act of 1971 to the amount of a contribution which may be made to a candidate who is not eligible to receive payments under section 9006 with respect to such election; and

“(C) with respect to which the candidate has certified in writing that—

“(i) the individual making such contribution has not made aggregate contributions (including such qualified contribu-
tion) to such candidate and the authorized committees of such candidate in excess of the amount described in subparagraph (B), and

“(ii) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including such qualified contribution) aggregating more than the amount described in subparagraph (B) with respect to such election.”.

(c) CONFORMING AMENDMENTS.—

(1) REPEAL OF EXPENDITURE LIMITS.—

(A) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by striking subsection (b).

(B) CONFORMING AMENDMENTS.—Section 315(c) of such Act (2 U.S.C. 441a(c)) is amended—

(i) in paragraph (1)(B)(i), by striking “, (b)” ; and

(ii) in paragraph (2)(B)(i), by striking “subsections (b) and (d)” and inserting “subsection (d)”.

(2) REPEAL OF REPAYMENT REQUIREMENT.—
(A) IN GENERAL.—Section 9007(b) of such Code is amended by striking paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 9007(b) of such Code, as redesignated by subparagraph (A), is amended—

(i) by striking “a major party” and inserting “a party”;

(ii) by inserting “qualified contributions and” after “contributions (other than”; and

(iii) by striking “(other than qualified campaign expenses with respect to which payment is required under paragraph (2))”.

(3) CRIMINAL PENALTIES.—

(A) REPEAL OF PENALTY FOR EXCESS EXPENSES.—Section 9012 of the Internal Revenue Code of 1986 is amended by striking subsection (a).

(B) PENALTY FOR ACCEPTANCE OF DISALLOWED CONTRIBUTIONS; APPLICATION OF
SAME PENALTY FOR CANDIDATES OF MAJOR, MINOR, AND NEW PARTIES.—Subsection (b) of section 9012 of such Code is amended to read as follows:

“(b) CONTRIBUTIONS.—

“(1) ACCEPTANCE OF DISALLOWED CONTRIBUTIONS.—It shall be unlawful for an eligible candidate of a party in a presidential election or any of his authorized committees knowingly and willfully to accept any contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(c), or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11).

“(2) PENALTY.—Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.”.
SEC. 113. MATCHING PAYMENTS AND OTHER MODIFICATIONS TO PAYMENT AMOUNTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENTS; APPLICATION OF SAME AMOUNT FOR CANDIDATES OF MAJOR, MINOR, AND NEW PARTIES.—Subsection (a) of section 9004 of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) IN GENERAL.—Subject to the provisions of this chapter, the eligible candidates of a party in a presidential election shall be entitled to equal payment under section 9006 in an amount equal to 500 percent of the amount of each matchable contribution received by such candidate on or after June 1 of the year of the presidential election, or by his authorized committees (disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person for the election exceeds $250), except that total amount to which a candidate is entitled under this paragraph shall not exceed $150,000,000.”.

(2) REPEAL OF SEPARATE LIMITATIONS FOR CANDIDATES OF MINOR AND NEW PARTIES.—Section 9004 of such Code is amended by striking subsection (b).

(3) CONFORMING AMENDMENT.—Section 9005(a) of such Code is amended by adding at the
end the following new sentence: “The Commission shall make such additional certifications as may be necessary to receive payments under section 9004.”.

(b) MATCHABLE CONTRIBUTION.—Section 9002 of such Code, as amended by section 112, is amended by adding at the end the following new paragraph:

“(14) MATCHABLE CONTRIBUTION.—The term ‘matchable contribution’ means, with respect to the election to the office of President of the United States, a contribution by an individual to a candidate or an authorized committee of a candidate with respect to which the candidate has certified in writing that—

“(A) the individual making such contribution has not made aggregate contributions (including such matchable contribution) to such candidate and the authorized committees of such candidate in excess of 50% of the limit applicable under paragraph (1)(A) or paragraph (2)(A) of section 315(a) of the Federal Election Campaign Act of 1971 to the amount of a contribution which may be made to a candidate who is not eligible to receive payments under section 9006 with respect to such election;
“(B) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including such matchable contribution) aggregating more than the amount described in subparagraph (A) with respect to such election; and

“(C) such contribution was not—

“(i) forwarded from the contributor from any person other than an individual, or

“(ii) received by the candidate or committee from a contributor or contributors, but credited by the committee or candidate to another person who is not an individual through records, designations, or other means of recognizing that a certain amount of money has been raised by such person.”.

SEC. 114. INFLATION ADJUSTMENT FOR PAYMENT AMOUNTS.

Section 9004 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(f) INFLATION ADJUSTMENTS.—
“(1) IN GENERAL.—In the case of any applicable period beginning after 2017, each of the dollar amounts in subsection (a)(1) shall be increased by an amount equal to—

“(A) such dollar amount; multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year following the year which such applicable period begins, determined by substituting ‘calendar year 2016’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) APPLICABLE PERIOD.—For purposes of this subsection, the term ‘applicable period’ means the 4-year period beginning with the first day following the date of the last general election for the office of President and ending on the date of the next such general election.

“(3) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.”.
SEC. 115. INCREASE IN LIMIT ON COORDINATED PARTY EXPENDITURES.

(a) In General.—Section 315(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)(2)) is amended to read as follows:

“(2)(A) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds $50,000,000.

“(B) For purposes of this paragraph—

“(i) any expenditure made by or on behalf of a national committee of a political party and in connection with a presidential election shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party; and

“(ii) any communication made by or on behalf of such party shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party if any portion of the communication is in connection with such election.

“(C) Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign com-
mittee of a candidate for the office of President of the United States.”.

(b) CONFORMING AMENDMENTS RELATING TO TIMING OF COST-OF-LIVING ADJUSTMENT.—

(1) IN GENERAL.—Section 315(c)(1) of such Act (2 U.S.C. 441a(e)(1)), as amended by section 112(d)(1)(B), is amended—

(A) in subparagraph (B), by striking “(d)” and inserting “(d)(3)”; and

(B) by inserting at the end the following new subparagraph:

“(D) In any calendar year after 2017—

“(i) the dollar amount in subsection (d)(2) shall be increased by the percent difference determined under subparagraph (A);

“(ii) the amount so increased shall remain in effect for the calendar year; and

“(iii) if the amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.”.

(2) BASE YEAR.—Section 315(c)(2)(B) of such Act (2 U.S.C. 441a(e)(2)(B)), as amended by section 112(d)(1)(B), is amended—

(A) in clause (i)—
(i) by striking “(d)” and inserting “(d)(3)”; and

(ii) by striking “and” at the end;

(B) in clause (ii), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new clause:

“(iii) for purposes of subsection (d)(2), calendar year 2016.”.

SEC. 116. ESTABLISHMENT OF UNIFORM DATE FOR RELEASE OF PAYMENTS.

(a) DATE FOR PAYMENTS.—

(1) IN GENERAL.—Section 9006(b) of the Internal Revenue Code of 1986 is amended to read as follows:

“(b) PAYMENTS FROM THE FUND.—If the Secretary of the Treasury receives a certification from the Commission under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Commission on the later of—

“(1) the last Friday occurring before the first Monday in September; or
“(2) 24 hours after receiving the certifications for the eligible candidates of all major political parties. Amounts paid to any such candidates shall be under the control of such candidates.”.

(2) CONFORMING AMENDMENT.—The first sentence of section 9006(c) of such Code is amended by striking “the time of a certification by the Commission under section 9005 for payment” and inserting “the time of making a payment under subsection (b)”.

(b) TIME FOR CERTIFICATION.—Section 9005(a) of the Internal Revenue Code of 1986 is amended by striking “10 days” and inserting “24 hours”.

SEC. 117. AMOUNTS IN PRESIDENTIAL ELECTION CAMPAIGN FUND.

(a) DETERMINATION OF AMOUNTS IN FUND.—Section 9006(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: “In making a determination of whether there are insufficient moneys in the fund for purposes of the previous sentence, the Secretary shall take into account in determining the balance of the fund for a presidential election year the Secretary’s best estimate of the amount of moneys which will be deposited into the fund during the year, except that
the amount of the estimate may not exceed the average
of the annual amounts deposited in the fund during the
previous 3 years.”.

(b) Special Rule for First Campaign Cycle
Under This Act.—

(1) In general.—Section 9006 of the Internal
Revenue Code of 1986 is amended by adding at the
end the following new subsection:

“(d) Special Authority To Borrow.—

“(1) In general.—Notwithstanding subsection
(c), there are authorized to be appropriated to the
fund, as repayable advances, such sums as are nec-
essary to carry out the purposes of the fund during
the period ending on the first presidential election
occurring after the date of the enactment of this
subsection.

“(2) Repayment of Advances.—

“(A) In general.—Advances made to the
fund shall be repaid, and interest on such ad-
vances shall be paid, to the general fund of the
Treasury when the Secretary determines that
moneys are available for such purposes in the
fund.

“(B) Rate of interest.—Interest on ad-
vances made to the fund shall be at a rate de-
terminated by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect January 1, 2014.

SEC. 118. USE OF GENERAL ELECTION PAYMENTS FOR GENERAL ELECTION LEGAL AND ACCOUNTING COMPLIANCE.

Section 9002(11) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: “For purposes of subparagraph (A), an expense incurred by a candidate or authorized committee for general election legal and accounting compliance purposes shall be considered to be an expense to further the election of such candidate.”.

Subtitle C—Political Conventions

SEC. 121. REPEAL OF PUBLIC FINANCING OF PARTY CONVENTIONS.

(a) REPEAL.—
(1) IN GENERAL.—Chapter 95 of the Internal Revenue Code of 1986 is amended by striking section 9008.

(2) CLERICAL AMENDMENT.—The table of sections of chapter 95 of such Code is amended by striking the item relating to section 9008.

(b) CONFORMING AMENDMENTS.—

(1) AVAILABILITY OF PAYMENTS TO CANDIDATES.—Section 9006(c) of such Code is amended by striking “section 9008(b)(3)”.

(2) REPORTS BY FEDERAL ELECTION COMMISSION.—Section 9009 of such Code is amended—

(A) by adding “and” at the end of paragraph (2);

(B) by striking the semicolon at the end of paragraph (3) and inserting a period; and

(C) by striking paragraphs (4), (5), and (6).

(3) PENALTIES.—Section 9012 of such Code, as amended by section 112(d)(4), is amended—

(A) by striking subsection (a) and redesignating subsections (b) through (g) as subsections (a) through (f), respectively;

(B) in subsection (b), as redesignated by subparagraph (A), by striking paragraph (2)
and redesignating paragraph (3) as paragraph (2);

(C) in subsection (d)(1), as redesignated by subparagraph (A), by striking the second sentence; and

(D) in subsection (d)(3), as redesignated by subparagraph (A), by striking “, or in connection with any expense incurred by the national committee of a major party or minor party with respect to a presidential nominating convention”.

(4) Availability of Payments from Presidential Primary Matching Account.—The second sentence of section 9037(a) of such Code is amended by striking “and for payments under section 9008(b)(3)”.

SEC. 122. CONTRIBUTIONS FOR POLITICAL CONVENTIONS.

(a) Separate Contribution Limitation.—

(1) Individuals.—

(A) In general.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(i) by striking “or” at the end of subparagraph (C);
(ii) by striking the period at the end of subparagraph (D) and inserting “; or”;

and

(iii) by adding at the end the following new subparagraph:
“(E) to the national nominating convention account of political committees established and maintained by a national political party, in any 4-year period ending on the last day of the calendar year beginning on the day after a general election for the office of President which, in the aggregate, exceed the dollar amount in effect under subparagraph (B);”.

(B) CONFORMING AMENDMENT.—Section 315(a)(1)(B) of such Act (2 U.S.C. 441a(a)(1)(B)) is amended by inserting “(other than to the national nominating convention accounts of such political committees which are described in subparagraph (E))” after “national political party”.

(2) AGGREGATE CONTRIBUTION LIMITATION.—Section 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended by adding at the end the following new flush sentence:
“The dollar amount in subparagraph (B) shall be increased by the amount of contributions (not in excess of the dollar amount in effect under subparagraph (E)) made to the national nominating convention account of a political committee established and maintained by a national political party during the period described in the preceding sentence.”.

(b) National Nominating Convention Account.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

“(9) For purposes of this subsection, the national nomination convention account of any political committees established and maintained by a national political party is a separate account the funds of which may only be used to defray the costs of the national nominating convention of such party.”.

SEC. 123. PROHIBITION ON USE OF SOFT MONEY.

Section 323 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441i) is amended by adding at the end the following new subsection:

“(g) National Conventions.—Any person described in subsection (a) or (e) shall not solicit, receive, direct, transfer, or spend any funds in connection with a presidential nominating convention of any political party,
including funds from or for a host committee, civic committee, municipality, or any other person or entity spending funds in connection with such a convention, unless such funds—

“(1) are not in excess of the amounts permitted with respect to contributions to the political committee established and maintained by a national political party committee under section 315; and

“(2) are not from sources prohibited by this Act from making contributions in connection with an election for Federal office.”.

**TITLE II—PUBLIC FINANCING FOR CONGRESSIONAL ELECTION CAMPAIGNS**

**SEC. 201. BENEFITS AND ELIGIBILITY REQUIREMENTS FOR CONGRESSIONAL CANDIDATES.**

The Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:
“TITLE V—PUBLIC FINANCING
OF CONGRESSIONAL ELEC-
TION CAMPAIGNS

“Subtitle A—Benefits

“SEC. 501. BENEFITS FOR PARTICIPATING CANDIDATES.

“(a) In General.—If a candidate for election to the
office of Senator or Representative in, or Delegate or Resi-
dent Commissioner to, the Congress is a participating can-
didate under this title with respect to an election for such
office, the candidate shall be entitled to payments under
this title, to be used only for authorized expenditures in
connection with the election.

“(b) Amount of Payment.—

“(1) Match of Qualified Contributions.—
Subject to paragraph (2), the amount of a payment
made to a participating candidate under this title
shall be equal to 500 percent of the amount of quali-
fied contributions received by the candidate since the
most recent payment made to the candidate under
this title with respect to the election, as set forth—

“(A) in the case of the first payment made
to the candidate with respect to the election, in
the report filed under section 511(a)(2); and

“(B) in the case of any subsequent pay-
ment made to the candidate with respect to the
election, in the report of qualified contributions
filed under subsection (c).

“(2) LIMITATION.—In determining the amount
of qualified contributions received by a candidate for
purposes of making a payment under this section,
there shall be disregarded any amount of contribu-
tions from any person to the extent that the total of
the amounts contributed by such person for the elec-
tion exceeds $250.

“(c) REPORTS.—

“(1) IN GENERAL.—Each participating can-
didate shall file reports of receipts of qualified con-
tributions at such times and in such manner as the
Commission may by regulations prescribe.

“(2) CONTENTS OF REPORTS.—Each report
under this subsection shall disclose each qualified
contribution received by the candidate since the most
recent report filed under this section, and shall state
the aggregate amount of all such qualified contribu-
tions received since the most recent report filed
under this section.

“(3) FREQUENCY OF REPORTS.—Reports under
this subsection shall be made no more frequently
than—
“(A) once every month until the date that is 90 days before the date of the election;

“(B) once every week after the period described in subparagraph (A) and until the date that is 21 days before the election; and

“(C) once every day after the period described in subparagraph (B).

“(4) LIMITATION ON REGULATIONS.—The Commission may not prescribe any regulations with respect to reporting under this subsection with respect to any election after the date that is 180 days before the date of such election.

“(d) LIMIT ON AGGREGATE AMOUNT OF PAYMENTS.—The aggregate amount of payments that may be made under this title to a participating candidate during an election cycle may not exceed—

“(1) $2,000,000, in the case of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress; or

“(2) $10,000,000, in the case of a candidate for the office of Senator.

“SEC. 502. ADMINISTRATION OF PAYMENTS.

“(a) TIMING.—The Commission shall make payments under this title to a participating candidate—
“(1) in the case of the first payment made to
the candidate with respect to the election, not later
than 48 hours after the date on which such can-
didate is certified as a participating candidate under
section 513; and

“(2) in the case of any subsequent payment
made to the candidate with respect to the election,
not later than 5 business days after the receipt of
a report made under section 501(c).

“(b) METHOD OF PAYMENT.—The Commission shall
distribute funds available to participating candidates
under this title through the use of an electronic funds ex-
change or a debit card.

“(c) APPEALS.—The Commission shall provide a
written explanation with respect to any denial of any pay-
ment under this title and shall provide for the opportunity
for review and reconsideration within 5 business days of
such denial.

“SEC. 503. QUALIFIED CONTRIBUTION DEFINED.

“In this title, the term ‘qualified contribution’ means,
with respect to a candidate, a contribution that meets each
of the following requirements:

“(1) The contribution is in an amount that is
not greater than the limit on the amount of a con-
tribution that may be accepted by a participating candidate from an individual under section 521(a).

“(2) The contribution is made by an individual who is not otherwise prohibited from making a contribution under this Act.

“(3) The contribution is not—

“(A) forwarded from the contributor by any person other than an individual; or

“(B) received by the candidate or an authorized committee of the candidate from a contributor or contributors, but credited by the committee or candidate to another person who is not an individual through records, designations, or other means of recognizing that a certain amount of money has been raised by such person.

“(4) The contribution meets the requirements of section 512(b).

“Subtitle B—Eligibility and Certification

“SEC. 511. ELIGIBILITY.

“(a) IN GENERAL.—A candidate for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress is eligible to be certified as a participating candidate under this title with respect
to an election if the candidate meets the following requirements:

“(1) During the election cycle for the office involved, the candidate files with the Commission a statement of intent to seek certification as a participating candidate.

“(2) The candidate meets the qualified contribution requirements of section 512 and submits to the Commission a report disclosing each qualified contribution received by the candidate and stating the aggregate amount of all such qualified contributions received.

“(3) Not later than the last day of the qualifying period, the candidate files with the Commission an affidavit signed by the candidate and the treasurer of the candidate’s principal campaign committee declaring that the candidate—

“(A) has complied and, if certified, will comply with the contribution and expenditure requirements of section 521;

“(B) if certified, will run only as a participating candidate for all elections for the office that such candidate is seeking during the election cycle; and
“(C) has either qualified or will take steps to qualify under State law to be on the ballot.

“(b) General Election.—Notwithstanding subsection (a), a candidate shall not be eligible to receive a payment under this title for a general election or a general runoff election unless the candidate’s party nominated the candidate to be placed on the ballot for the general election or the candidate is otherwise qualified to be on the ballot under State law.

“(c) Qualifying Period Defined.—The term ‘qualifying period’ means, with respect to any candidate for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the 120-day period (during the election cycle for such office) which begins on the date on which the candidate files a statement of intent under section 511(a)(1), except that such period may not continue after the date that is 60 days before—

“(1) the date of the primary election; or

“(2) in the case of a State that does not hold a primary election, the date prescribed by State law as the last day to qualify for a position on the general election ballot.

“SEC. 512. Qualified Contribution Requirements.

“(a) Receipt of Qualified Contributions.—
“(1) IN GENERAL.—A candidate meets the requirements of this section if, during the qualifying period described in section 511(c), the candidate obtains—

“(A) a single qualified contribution from a number of individuals equal to or greater than—

“(i) in the case of a candidate for election the office of Representative in, or Delegate or Resident Commissioner to, the Congress, 400, or

“(ii) in the case of a candidate for the office of Senator, the product of 400 and the number of Congressional districts in the State involved as of the date of the election; and

“(B) a total dollar amount of qualified contributions equal to or greater than—

“(i) in the case of a candidate for election the office of Representative in, or Delegate or Resident Commissioner to, the Congress, $40,000, disregarding any amount of contributions from any person to the extent that the total of the amounts
contributed by such person for the election exceeds $250, or

“(ii) in the case of a candidate for the office of Senator, the product of $40,000 and the number of Congressional districts in the State involved as of the date of the election, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person for the election exceeds $250.

“(2) Exclusion of Contributions from Out-of-State Residents.—In determining the number of qualified contributions obtained by a candidate under paragraph (1)(A) and the dollar amount of qualified contributions obtained by a candidate under paragraph (1)(B), there shall be excluded any contributions made by an individual who does not have a primary residence in the State in which such candidate is seeking election.

“(b) Requirements Relating to Receipt of Qualified Contribution.—Each qualified contribu-
“(1) may be made by means of a personal
check, money order, debit card, credit card, or elec-
tronic payment account;

“(2) shall be accompanied by a signed state-
ment containing the contributor’s name and the con-
tributor’s address in the State in which the primary
residence of the contributor is located; and

“(3) shall be acknowledged by a receipt that is
sent to the contributor with a copy kept by the can-
didate for the Commission and a copy kept by the
candidate for the election authorities in the State
with respect to which the candidate is seeking elec-
tion.

“(c) Prohibiting Payment on Commission Basis
Of Individuals Collecting Qualified Contributions.—No person may be paid a commission on a per
qualified contribution basis for collecting qualified con-
tributions.

“Sec. 513. Certification.

“(a) Deadline and Notification.—

“(1) In general.—Not later than 10 days
after a candidate files an affidavit under section
511(a)(3), the Commission shall—
“(A) determine whether or not the candidate meets the requirements for certification as a participating candidate;

“(B) if the Commission determines that the candidate meets such requirements, certify the candidate as a participating candidate; and

“(C) notify the candidate of the Commission’s determination.

“(2) DEEMED CERTIFICATION FOR ALL ELECTIONS IN ELECTION CYCLE.—If the Commission certifies a candidate as a participating candidate with respect to the first election of the election cycle involved, the Commissioner shall be deemed to have certified the candidate as a participating candidate with respect to all subsequent elections of the election cycle.

“(b) REVOCATION OF CERTIFICATION.—

“(1) IN GENERAL.—The Commission may revoke a certification under subsection (a) if—

“(A) a candidate fails to qualify to appear on the ballot at any time after the date of certification (other than a candidate certified as a participating candidate with respect to a primary election who fails to qualify to appear on
the ballot for a subsequent election in that elec-
tion cycle); or

“(B) a candidate otherwise fails to comply
with the requirements of this title, including
any regulatory requirements prescribed by the
Commission.

“(2) REPAYMENT OF BENEFITS.—If certifi-
cation is revoked under paragraph (1), the candidate
shall repay to the Empowering Citizens Payment Ac-
count of the Presidential Election Campaign Fund
(established under section 9051 of the Internal Rev-
ene Code of 1986) an amount equal to the value
of benefits received under this title with respect to
the election cycle involved plus interest (at a rate de-
determined by the Commission) on any such amount
received.

“(c) PARTICIPATING CANDIDATE DEFINED.—In this
title, a ‘participating candidate’ means a candidate for the
office of Senator or Representative in, or Delegate or Resi-
dent Commissioner to, the Congress who is certified under
this section as eligible to receive benefits under this title.
“Subtitle C—Requirements for Candidates Certified as Participating Candidates

“SEC. 521. RESTRICTIONS ON CERTAIN CONTRIBUTIONS AND EXPENDITURES.

“(a) 50 Percent Reduction in Otherwise Applicable Contribution Limits.—In the case of a candidate who is certified as a participating candidate under this title with respect to an election, the limit applicable under paragraph (1)(A) or paragraph (2)(A) of section 315(a) to the amount of a contribution which may be made to the candidate and any authorized committee of the candidate with respect to the election shall be equal to 50% of the amount applicable under such paragraph to a contribution made to a candidate with respect to the election who is not certified as a participating candidate under this title.

“(b) Prohibiting Acceptance of Contributions Bundled by Registered Lobbyists.—A candidate who is certified as a participating candidate under this title with respect to an election, and any authorized committee of such a candidate, may not accept any contribution with respect to the election which is a bundled contribution (as defined in section 304(i)(8)) forwarded by or credited to a person described in section 304(i)(7).
“(c) Limit on expenditures from personal funds.—A candidate who is certified as a participating candidate under this title may not make expenditures from personal funds (as defined in section 304(a)(6)(B)) in an aggregate amount exceeding $50,000 with respect to any election in the election cycle involved.

“(d) Prohibiting solicitation of funds for political party committees.—A candidate who is certified as a participating candidate under this title may not solicit funds for any political committee of a political party, except that the candidate may solicit funds for a separate account of the committee which is established under section 315(d)(5).

“Sec. 522. Remitting unspent funds after election.

“(a) In general.—Not later than the date that is 60 days after the last election for which a candidate certified as a participating candidate qualifies to be on the ballot during the election cycle involved, such participating candidate shall remit to the Commission for deposit in the Empowering Citizens Payment Account of the Presidential Election Campaign Fund (established under section 9051 of the Internal Revenue Code of 1986) an amount equal to the lesser of—

“(1) the amount of money in the candidate’s campaign account; or
“(2) the amount of the payments received by
the candidate under this title.
“(b) Exception for Expenditures Incurred
but Not Paid as of Date of Remittance.—
“(1) In general.—Subject to subsection (a), a
candidate may withhold from the amount required to
be remitted under paragraph (1) of such subsection
the amount of any authorized expenditures which
were incurred in connection with the candidate’s
campaign but which remain unpaid as of the dead-
line applicable to the candidate under such sub-
section, except that any amount withheld pursuant
to this paragraph shall be remitted to the Commiss-
sion not later than 120 days after the date of the
election to which such subsection applies.
“(2) Documentation Required.—A can-
didate may withhold an amount of an expenditure
pursuant to paragraph (1) only if the candidate sub-
mits documentation of the expenditure and the
amount to the Commission not later than the dead-
line applicable to the candidate under subsection (a).
“Subtitle D—Administrative Provisions

“SEC. 531. ADMINISTRATION BY COMMISSION.

“The Commission shall prescribe regulations to carry out the purposes of this title, including regulations to establish procedures for—

“(1) verifying the amount of qualified contributions with respect to a candidate;

“(2) effectively and efficiently monitoring and enforcing the limits on the raising of qualified contributions;

“(3) effectively and efficiently monitoring and enforcing the limits on the use of personal funds by participating candidates; and

“(4) monitoring the use of payments under this title through audits of not fewer than \( \frac{1}{3} \) of all participating candidates or other mechanisms.

“SEC. 532. VIOLATIONS AND PENALTIES.

“(a) CIVIL PENALTY FOR VIOLATION OF CONTRIBUTION AND EXPENDITURE REQUIREMENTS.—If a candidate who has been certified as a participating candidate accepts a contribution or makes an expenditure that is prohibited under section 521, the Commission shall assess a civil penalty against the candidate in an amount that is not more than 3 times the amount of the contribution
or expenditure. Any amounts collected under this sub-
section shall be deposited into the Empowering Citizens
Payment Account of the Presidential Election Campaign
Fund (established under section 9051 of the Internal Rev-

"(b) Repayment for Improper Use of Empow-
ering Citizens Payment Account.—"
"(1) In general.—If the Commission deter-
mines that any benefit made available to a partici-
pating candidate was not used as provided for in
this title or that a participating candidate has vio-
lated any of the dates for remission of funds con-
tained in this title, the Commission shall so notify
the candidate and the candidate shall pay to the
Empowering Citizens Payment Account of the Presi-
dential Election Campaign Fund an amount equal
to—
"(A) the amount of benefits so used or not
remitted, as appropriate; and
"(B) interest on any such amounts (at a
rate determined by the Commission).
"(2) Other action not precluded.—Any
action by the Commission in accordance with this
subsection shall not preclude enforcement pro-
ceedings by the Commission in accordance with sec-
tion 309(a), including a referral by the Commission to the Attorney General in the case of an apparent knowing and willful violation of this title.

SEC. 533. ELECTION CYCLE DEFINED.

“In this title, the term ‘election cycle’ means, with respect to an election for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the period beginning on the day after the date of the most recent general election for that office (or, if the general election resulted in a runoff election, the date of the runoff election) and ending on the date of the next general election for that office (or, if the general election resulted in a runoff election, the date of the runoff election).”.

SEC. 202. PERMITTING UNLIMITED COORDINATED EXPENDITURES BY POLITICAL PARTY COMMITTEES ON BEHALF OF PARTICIPATING CANDIDATES IF EXPENDITURES ARE DERIVED FROM SMALL DOLLAR CONTRIBUTIONS.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended by adding at the end the following new paragraph:

“(5) In determining the amount of expenditures made by a committee under paragraph (3) in connection with the campaign of a candidate who is certified as a
participating candidate under title V, there shall be ex-
cluded any expenditures which are derived from a separate
account established by the committee for which the only
sources of funds are contributions made during the elec-
tion cycle in an amount which does not exceed 50% of
the amount applicable under subsection (a)(1)(A) to a
contribution made during the cycle to a candidate who is
not certified as a participating candidate under title V.”.

SEC. 203. PROHIBITING USE OF CONTRIBUTIONS BY PAR-
TICIPATING CANDIDATES FOR PURPOSES
OTHER THAN CAMPAIGN FOR ELECTION.

Section 313 of the Federal Election Campaign Act
of 1971 (2 U.S.C. 439a) is amended by adding at the end
the following new subsection:

“(d) Restrictions on Permitted Uses of Funds
by Candidates Receiving Matching Public
Funds.—Notwithstanding paragraphs (2), (3), or (4) of
subsection (a), if a candidate for election for the office
of Senator or Representative in, or Delegate or Resident
Commissioner to, the Congress is certified as a partici-
pating candidate under title V with respect to the election,
any contribution which the candidate is permitted to ac-
cept under such title may be used only for authorized ex-
penditures in connection with the candidate’s campaign
for such office.”.
TITLE III—COORDINATED CAMPAIGN ACTIVITY

SEC. 301. CLARIFICATION OF TREATMENT OF COORDINATED EXPENDITURES AS CONTRIBUTIONS TO CANDIDATES.

(a) Treatment as Contribution to Candidate.—Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended—

(1) by striking “or” at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting “; or”; and

(3) by adding at the end the following new clause:

“(iii) any payment made by any person (other than a candidate, an authorized committee of a candidate, or a political committee of a political party) for a coordinated expenditure (as such term is defined in section 324) which is not otherwise treated as a contribution under clause (i) or clause (ii).”.

(b) Definitions.—Section 324 of such Act (2 U.S.C. 441k) is amended to read as follows:

“SEC. 324. PAYMENTS FOR COORDINATED EXPENDITURES.

“(a) Coordinated Expenditures.—
“(1) IN GENERAL.—For purposes of section 301(8)(A)(iii), the term ‘coordinated expenditure’ means—

“(A) any expenditure, including a payment for a covered communication described in subsection (c), which is made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, an authorized committee of a candidate, a political committee of a political party, or agents of the candidate or committee, as provided in subsection (b); or

“(B) any payment for any communication which republishes, disseminates, or distributes, in whole or in part, any broadcast or any written, graphic, or other form of campaign material prepared by the candidate or committee or by agents of the candidate or committee.

“(2) EXCEPTION FOR PAYMENTS FOR CERTAIN COMMUNICATIONS.—A payment for a communication (including a covered communication described in subsection (c)) shall not be treated as a coordinated expenditure under this subsection if—

“(A) the communication appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting sta-
tion, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate; or

“(B) the communication constitutes a candidate debate or forum conducted pursuant to regulations adopted by the Commission pursuant to section 304(f)(3)(B)(iii), or which solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum.

“(b) COORDINATION DESCRIBED.—

“(1) IN GENERAL.—For purposes of this section, a payment is made ‘in cooperation, consultation, or concert with, or at the request or suggestion of,’ a candidate, an authorized committee of a candidate, a political committee of a political party, or agents of the candidate or committee, if the payment is not made entirely independently of the candidate, committee, or agents, including a payment which is made pursuant to any general or particular understanding, or more than incidental communication with, the candidate, committee, or agents about the payment.
“(2) No finding of coordination based solely on sharing of information regarding legislative or policy position.—For purposes of this section, a payment shall not be considered to be made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate or committee, solely on the grounds that the person or the person’s agent engaged in discussions with the candidate or committee, or with agents of the candidate or committee, regarding that person’s position on a legislative or policy matter (including urging the candidate or committee to adopt that person’s position), so long as there is no discussion between the person and the candidate or committee, or agents of the candidate or committee, regarding the candidate’s or committee’s campaign advertising, message, strategy, policy, polling, allocation of resources, fundraising, or campaign operations.

“(3) No effect on party coordination standard.—Nothing in this section shall be construed to affect the determination of coordination between a candidate and a political committee of a political party for purposes of section 315(d).
“(4) No safe harbor for use of firewall.—A person shall be determined to have made a payment in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate or committee, in accordance with this section without regard to whether or not the person established and used a firewall or similar procedures to restrict the sharing of information between individuals providing services for or on behalf of the person and the candidate or committee or agents of the candidate or committee.

“(c) Special rule for payments by coordinated spenders for covered communications.—

“(1) Payments deemed to be made in cooperation, consultation, or concert with, candidates.—For purposes of this section, if the person who makes a payment for a covered communication is a coordinated spender with respect to the candidate involved, the person shall be deemed to have made the payment in cooperation, consultation, or concert with the candidate.

“(2) Coordinated spender defined.—For purposes of this subsection, the term ‘coordinated spender’ means, with respect to a candidate or an authorized committee of a candidate, a person (other
than a political committee of a political party) for
which any of the following applies:

“(A) The person is directly or indirectly
formed or established by or at the request or
suggestion of, or with the encouragement of,
the candidate or committee or agents of the
candidate or committee, including with the ex-
press or tacit approval of the candidate or com-
mittee or agents of the candidate or committee.

“(B) The candidate or committee or agents
of the candidate or committee solicit funds or
engage in other fundraising activity on the per-
son’s behalf during the election cycle involved,
including by providing the person with names of
potential donors or other lists to be used by the
person in engaging in fundraising activity, re-
gardless of whether the person pays fair market
value for the names or lists provided.

“(C) The person is established, directed, or
managed by any person who, during the elec-
tion cycle involved or during the 4-year period
ending on the first day of the election cycle in-
volved, has been employed or retained as a po-
litical, media, or fundraising adviser or consult-
ant for the candidate or committee or for any
other entity directly or indirectly controlled by
the candidate or committee, or has held a for-
mal position with a title for the candidate or
committee.

“(D) During the election cycle involved,
the person has had more than incidental com-
munications with the candidate or committee or
agents of the candidate or committee about the
candidate’s campaign needs or activities, or
about the person’s possible or actual campaign
activities with respect to the candidate or com-
mittee.

“(E) The person has retained the profes-
sional services of any person who, during the
same election cycle, has provided or is providing
professional services relating to the campaign to
the candidate or committee. For purposes of
this subparagraph, the term ‘professional serv-
ices’ includes any services in support of the can-
didate’s or committee’s campaign activities, in-
cluding advertising, message, strategy, policy,
polling, allocation of resources, fundraising, and
campaign operations, but does not include ac-
counting or legal services.
“(F) The person is established, directed, or managed by a member of the immediate family of the candidate, or (in the case of a person that is a political committee) has received a contribution from a member of the immediate family of the candidate. For purposes of this subparagraph, the term ‘immediate family’ has the meaning given such term in section 9004(e) of the Internal Revenue Code of 1986.

“(d) COVERED COMMUNICATION DEFINED.—

“(1) IN GENERAL.—For purposes of this section, the term ‘covered communication’ means, with respect to a candidate or an authorized committee of a candidate, a public communication (as defined in section 301(22)) which—

“(A) promotes or supports the candidate, or attacks or opposes an opponent of the candidate (regardless of whether the communication expressly advocates the election or defeat of a candidate or contains the functional equivalent of express advocacy); or

“(B) refers to the candidate or an opponent of the candidate but is not described in subparagraph (A), but only if the communica-
tion is disseminated during the applicable election period.

“(2) APPLICABLE ELECTION PERIOD.—In paragraph (1)(B), the ‘applicable election period’ with respect to a communication means—

“(A) in the case of a communication which refers to a candidate for the office of President or Vice President, the period which begins on the date that is 120 days before the date of the first primary election, preference election, or nominating convention for nomination for the office of President which is held in any State and ends with the date of the general election for such office; or

“(B) in the case of a communication which refers to a candidate for any other office, which begins on the date that is 90 days before the primary or preference election, or convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate and ends on the date of the general election for such office.

“(3) SPECIAL RULES FOR COMMUNICATIONS INVOLVING CONGRESSIONAL CANDIDATES.—For purposes of this subsection, a public communication

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shall not be considered to be a covered communica-

tion with respect to a candidate for election for an
office other than the office of President or Vice
President unless it is publicly disseminated or dis-
dibuted in the jurisdiction of the office the can-
didate is seeking.

(‘e) ELECTION CYCLE DEFINED.—In this section,
the term ‘election cycle’ means, with respect to an election
for Federal office, the period beginning on the day after
the date of the most recent general election for that office
(or, if the general election resulted in a runoff election,
the date of the runoff election) and ending on the date
of the next general election for that office (or, if the gen-
eral election resulted in a runoff election, the date of the
runoff election).

(e) EFFECTIVE DATE.—

(1) REPEAL OF EXISTING REGULATIONS ON CO-
ORDINATION.—Effective upon the expiration of the
90-day period which begins on the date of the enact-
ment of this Act—

(A) the regulations on coordinated commu-
ications adopted by the Federal Election Com-
mission which are in effect on the date of the
enactment of this Act (as set forth in 11 CFR
Part 109, Subpart C, under the heading “Coordination”) are repealed; and

(B) the Federal Election Commission shall promulgate new regulations on coordinated communications which reflect the amendments made by this Act.

(2) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to payments made on or after the expiration of the 120-day period which begins on the date of the enactment of this Act, without regard to whether or not the Federal Election Commission has promulgated regulations in accordance with paragraph (1)(B) as of the expiration of such period.

SEC. 302. CLARIFICATION OF BAN ON FUNDRAISING FOR SUPER PACS BY FEDERAL CANDIDATES AND OFFICEHOLDERS.

Section 323(e)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441i(e)(1)) is amended—

(1) by striking “or” at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(3) by adding at the end the following new subparagraph:
“(C) solicit, receive, direct, or transfer funds to or on behalf of any political committee which accepts donations or contributions that do not comply with the limitations, prohibitions, and reporting requirements of this Act (or to or on behalf of any account of a political committee which is established for the purpose of accepting such donations or contributions), or to or on behalf of any political organization under section 527 of the Internal Revenue Code of 1986 which accepts such donations or contributions (other than a committee of a State or local political party or a candidate for election for State or local office).”

TITLE IV—USE OF PRESIDENTIAL ELECTION CAMPAIGN FUND FOR PUBLIC FINANCING OF FEDERAL ELECTIONS

SEC. 401. USE OF PRESIDENTIAL ELECTION CAMPAIGN FUND FOR CONGRESSIONAL CANDIDATES.

Subtitle H of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:
“CHAPTER 97—EMPOWERING CITIZENS

PAYMENT ACCOUNT

“Sec. 9051. Payments to Congressional candidates.

“SEC. 9051. PAYMENTS TO CONGRESSIONAL CANDIDATES.

“(a) ESTABLISHMENT OF ACCOUNT.—The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006(a), in addition to any account which he maintains under such section, a separate account to be known as the Empowering Citizens Payment Account. The Secretary shall deposit into such Account the amount available after the Secretary determines that amounts for payments under section 9006(c) and for payments under section 9037(b) are available for such payments.

“(b) USE OF FUND FOR PAYMENTS TO CONGRESSIONAL CANDIDATES PARTICIPATING IN PUBLIC FINANCING PROGRAM.—The Secretary shall transfer amounts in the Fund to the Federal Election Commission, at such times and in such amounts as the Federal Election Commission may certify, for payments to candidates for election to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress who are participating candidates under title V of the Federal Election Campaign Act of 1971.”.
SEC. 402. REVISIONS TO DESIGNATION OF INCOME TAX PAYMENTS BY INDIVIDUAL TAXPAYERS.

(a) Increase in Amount Designated.—Section 6096(a) of the Internal Revenue Code of 1986 is amended—

(1) in the first sentence, by striking “$3” each place it appears and inserting “$20”; and

(2) in the second sentence—

(A) by striking “$6” and inserting “$40”;

and

(B) by striking “$3” and inserting “$20”.

(b) Indexing.—Section 6096 of such Code is amended by adding at the end the following new subsection:

“(d) Indexing of Amount Designated.—

“(1) In general.—With respect to each taxable year after 2013, each amount referred to in subsection (a) shall be increased by the percent difference described in paragraph (2), except that if any such amount after such an increase is not a multiple of $1, such amount shall be rounded to the nearest multiple of $1.

“(2) Percent difference described.—The percent difference described in this paragraph with respect to a taxable year is the percent difference determined under section 315(c)(1)(A) of the Federal Election Campaign Act of 1971 with respect to
the calendar year during which the taxable year begins, except that the base year involved shall be 2012.”.

(c) Ensuring Tax Preparation Software Does Not Provide Automatic Response to Designation Question.—Section 6096 of such Code, as amended by subsection (b), is amended by adding at the end the following new subsection:

“(e) Ensuring Tax Preparation Software Does Not Provide Automatic Response to Designation Question.—The Secretary shall promulgate regulations to ensure that electronic software used in the preparation or filing of individual income tax returns does not automatically accept or decline a designation of a payment under this section.”.

(d) Public Information Program on Designation.—Section 6096 of such Code, as amended by subsections (b) and (e), is amended by adding at the end the following new subsection:

“(f) Public Information Program.—

“(1) In General.—The Federal Election Commission shall conduct a program to inform and educate the public regarding the purposes of the Presidential Election Campaign Fund, the procedures for the designation of payments under this section, and
the effect of such a designation on the income tax
liability of taxpayers.

“(2) USE OF FUNDS FOR PROGRAM.—Amounts
in the Presidential Election Campaign Fund shall be
made available to the Federal Election Commission
to carry out the program under this subsection.”.

(e) EFFECTIVE DATE.—The amendments made by
this section shall take effect January 1, 2014.

SEC. 403. DONATION TO PRESIDENTIAL ELECTION CAM-
PAIGN FUND.

(a) GENERAL RULE.—Every taxpayer who makes a
return of the tax imposed by subtitle A of the Internal
Revenue Code of 1986 for any taxable year ending after
December 31, 2012, may donate an amount (not less than
$1), in addition to any designation of income tax liability
under section 6096 of such Code for such taxable year,
which shall be deposited in the general fund of the Treas-
ury.

(b) MANNER AND TIME OF DESIGNATION.—Any do-
nation under subsection (a) for any taxable year—

(1) shall be made at the time of filing the re-
turn of the tax imposed by subtitle A of such Code
for such taxable year and in such manner as the
Secretary may by regulation prescribe, except that—
(A) the designation for such donation shall
be either on the first page of the return or on
the page bearing the taxpayer’s signature, and

(B) the designation shall be by a box
added to the return, and the text beside the box
shall provide:

“By checking here, I signify that in
addition to my tax liability (if any), I
would like to donate the included payment
to be used exclusively as a contribution to
the Presidential Election Campaign
Fund.”, and

(2) shall be accompanied by a payment of the
amount so designated.

(c) TREATMENT OF AMOUNTS DONATED.—For pur-
poses of this title, the amount donated by any taxpayer
under subsection (a) shall be treated as a contribution
made by such taxpayer to the United States on the last
date prescribed for filing the return of tax imposed by sub-
title A of such Code (determined without regard to exten-
sions) or, if later, the date the return is filed.

(d) TRANSFERS TO PRESIDENTIAL ELECTION CAM-
PAIGN FUND.—The Secretary shall, from time to time,
established under section 9006(a) of such Code amounts
equal to the amounts donated under this section.

**TITLE V—OTHER CAMPAIGN
FINANCE REFORMS**

**SEC. 501. REGULATIONS WITH RESPECT TO BEST EFFORTS
FOR IDENTIFYING PERSONS MAKING CONTRIBUTIONS.**

Not later than 6 months after the date of enactment
of this Act, the Federal Election Commission shall pro-
mulgate regulations with respect to what constitutes best
efforts under section 302(i) of the Federal Election Cam-
paign Act of 1971 (2 U.S.C. 432(i)) for determining the
identification of persons making contributions to political
committees, including the identifications of persons mak-
ing contributions over the Internet or by credit card. Such
regulations shall include a requirement that in the case
of contributions made by a credit card, the political com-
mittee shall ensure that the name on the credit card used
to make the contribution matches the name of the person
making the contribution.

**SEC. 502. PROHIBITION ON JOINT FUNDRAISING COMMIT-
TEES.**

(a) **IN GENERAL.**—Section 302(e) of the Federal
Election Campaign Act of 1971 (2 U.S.C. 432(e)) is
amended by adding at the end the following new para-
graph:

“(6) No authorized committee of a candidate may es-
tablish a joint fundraising committee with a political com-
mittee other than an authorized committee of a can-
didate.”.

(b) EFFECTIVE DATE.—The amendments made by
this section shall take effect on January 1, 2014.

SEC. 503. DISCLOSURE OF BUNDLED CONTRIBUTIONS TO
PRESIDENTIAL CAMPAIGNS.

(a) IN GENERAL.—Paragraphs (1) through (3) of
section 304(i) of the Federal Election Campaign Act of
1971 (2 U.S.C. 434(i)) are amended to read as follows:

“(1) IN GENERAL.—

“(A) DISCLOSURE OF BUNDLED CON-
TRIBUTIONS BY LOBBYISTS.—Each committee
described in paragraph (6) shall include in the
first report required to be filed under this sec-
tion after each covered period (as defined in
paragraph (2)) a separate schedule setting forth
the name, address, and employer of each person
reasonably known by the committee to be a per-
son described in paragraph (7) who provided 2
or more bundled contributions to the committee
in an aggregate amount greater than the appli-
cable threshold (as defined in paragraph (3))
during the covered period, and the aggregate
amount of the bundled contributions provided
by each such person during the covered period.

“(B) DISCLOSURE OF BUNDLED CONTRIBU-
TIONS TO PRESIDENTIAL CAMPAIGNS.—
Each committee which is an authorized com-
mittee of a candidate for the office of President
or for nomination to such office shall include in
the first report required to be filed under this
section after each covered period (as defined in
paragraph (2)) a separate schedule setting forth
the name, address, and employer of each person
who provided 2 or more bundled contributions
to the committee in an aggregate amount great-
er than the applicable threshold (as defined in
paragraph (3)) during the election cycle, and
the aggregate amount of the bundled contribu-
tions provided by each such person during the
covered period and such election cycle. Such
schedule shall include a separate listing of the
name, address, and employer of each person in-
cluded on such schedule who is reasonably
known by the committee to be a person de-
scribed in paragraph (7), together with the ag-
aggregate amount of bundled contributions provided by such person during such period and such cycle.

“(2) COVERED PERIOD.—In this subsection, a ‘covered period’ means—

“(A) with respect to a committee which is an authorized committee of a candidate for the office of President or for nomination to such office—

“(i) the 4-year election cycle ending with the date of the election for the office of the President; and

“(ii) any reporting period applicable to the committee under this section during which any person provided 2 or more bundled contributions to the committee; and

“(B) with respect to any other committee—

“(i) the period beginning January 1 and ending June 30 of each year;

“(ii) the period beginning July 1 and ending December 31 of each year; and

“(iii) any reporting period applicable to the committee under this section during which any person described in paragraph
(7) provided 2 or more bundled contributions to the committee in an aggregate amount greater than the applicable threshold.

“(3) APPLICABLE THRESHOLD.—

“(A) IN GENERAL.—In this subsection, the ‘applicable threshold’ is—

“(i) $50,000 in the case of a committee which is an authorized committee of a candidate for the office of President or for nomination to such office; and

“(ii) $15,000 in the case of any other committee.

In determining whether the amount of bundled contributions provided to a committee by a person exceeds the applicable threshold, there shall be excluded any contribution made to the committee by the person or the person’s spouse.

“(B) INDEXING.—In any calendar year after 2017, section 315(c)(1)(B) shall apply to each amount applicable under subparagraph (A) in the same manner as such section applies to the limitations established under subsections (a)(1)(A), (a)(1)(B), (a)(3), and (h) of such section, except that for purposes of applying
such section to the amount applicable under subparagraph (A), the ‘base period’ shall be 2016.

“(C) Aggregation of contributions from cosponsors of fundraising event.—
For purposes of determining the amount of bundled contributions provided by a person to a committee which were received by the person at a fundraising event sponsored by the person, or in response to an invitation to attend a fundraising event sponsored by the person, each person who is a sponsor of the event shall be considered to have provided to the committee the aggregate amount of all bundled contributions which were provided to the committee by all sponsors of the event.”.

(b) Conforming Amendments.—Section 304(i) of such Act (2 U.S.C. 434(i)) is amended—

(1) in paragraph (5), by striking “described in paragraph (7)” each place it appears in subparagraphs (C) and (D);

(2) in paragraph (6), by inserting “(other than a candidate for the office of President or for nomination to such office)” after “candidate”; and

(3) in paragraph (8)(A)—
(A) by striking ‘‘, with respect to a committee described in paragraph (6) and a person described in paragraph (7),’’ and inserting ‘‘, with respect to a committee described in paragraph (6) or an authorized committee of a candidate for the office of President or for nomination to such office,’’;

(B) by striking ‘‘by the person’’ in clause (i) thereof and inserting ‘‘by any person’’; and

(C) by striking ‘‘the person’’ each place it appears in clause (ii) and inserting ‘‘such person’’.

(e) Effective Date.—The amendments made by this section shall apply with respect to reports filed under section 304 of the Federal Election Campaign Act of 1971 after January 1, 2014.

SEC. 504. JUDICIAL REVIEW OF ACTIONS RELATED TO CAMPAIGN FINANCE LAWS.

(a) In General.—Title IV of the Federal Election Campaign Act of 1971 (2 U.S.C. 451 et seq.) is amended by inserting after section 406 the following new section:

‘‘SEC. 407. JUDICIAL REVIEW.

(a) In General.—If any action is brought for declaratory or injunctive relief to challenge the constitutionality of any provision of this Act or of chapter 95 or
96 of the Internal Revenue Code of 1986, or is brought
to with respect to any action of the Commission under
chapter 95 or 96 of the Internal Revenue Code of 1986,
the following rules shall apply:

“(1) The action shall be filed in the United
States District Court for the District of Columbia
and an appeal from the decision of the district court
may be taken to the Court of Appeals for the Dis-
trict of Columbia Circuit.

“(2) In the case of an action relating to declar-
atory or injunctive relief to challenge the constitu-
tionality of a provision—

“(A) a copy of the complaint shall be deliv-
ered promptly to the Clerk of the House of
Representatives and the Secretary of the Sen-
ate; and

“(B) it shall be the duty of the United
States District Court for the District of Colum-
bia, the Court of Appeals for the District of Co-
lumbia, and the Supreme Court of the United
States to advance on the docket and to expedite
to the greatest possible extent the disposition of
the action and appeal.

“(b) INTERVENTION BY MEMBERS OF CONGRESS.—
In any action in which the constitutionality of any provi-
sion of this Act or chapter 95 or 96 of the Internal Re-
venue Code of 1986 is raised, any member of the House
of Representatives (including a Delegate or Resident Com-
missioner to the Congress) or Senate shall have the right
to intervene either in support of or opposition to the posi-
tion of a party to the case regarding the constitutionality
of the provision. To avoid duplication of efforts and reduce
the burdens placed on the parties to the action, the court
in any such action may make such orders as it considers
necessary, including orders to require interveners taking
similar positions to file joint papers or to be represented
by a single attorney at oral argument.

“(c) CHALLENGE BY MEMBERS OF CONGRESS.—Any
Member of Congress may bring an action, subject to the
special rules described in subsection (a), for declaratory
or injunctive relief to challenge the constitutionality of any
 provision of this Act or chapter 95 or 96 of the Internal
Revenue Code of 1986.”.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 310 of the Federal Election
Campaign Act of 1971 (2 U.S.C. 437h) is re-
pealed.

(B) Section 9011 of the Internal Revenue
Code of 1986 is amended to read as follows:
“SEC. 9011. JUDICIAL REVIEW.

“For provisions relating to judicial review of certifications, determinations, and actions by the Commission under this chapter, see section 407 of the Federal Election Campaign Act of 1971.”.

(C) Section 9041 of the Internal Revenue Code of 1986 is amended to read as follows:

“SEC. 9041. JUDICIAL REVIEW.

“For provisions relating to judicial review of actions by the Commission under this chapter, see section 407 of the Federal Election Campaign Act of 1971.”.

(D) Section 403 of the Bipartisan Campaign Finance Reform Act of 2002 (2 U.S.C. 437h note) is repealed.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to actions brought on or after January 1, 2014.

TITLE VI—SEVERABILITY; EFFECTIVE DATE

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and
amendment to any person or circumstance, shall not be
affected by the holding.

SEC. 602. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amend-
ments made by this Act shall apply with respect to elec-
tions occurring after January 1, 2014.