

105TH CONGRESS  
1ST SESSION

# S. 427

To amend the Internal Revenue Code of 1986 to restore the deduction for lobbying expenses in connection with State legislation.

---

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1997

Mr. THOMAS (for himself and Mr. SHELBY) introduced the following bill;  
which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code of 1986 to restore the deduction for lobbying expenses in connection with State legislation.

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. RESTORATION OF DEDUCTION FOR LOBBYING**  
4                       **EXPENSES IN CONNECTION WITH STATE LEG-**  
5                       **ISLATION.**

6       (a) IN GENERAL.—Paragraph (2) of section 162(e)  
7       of the Internal Revenue Code of 1986 (relating to denial  
8       of deduction for certain lobbying and political activities)  
9       is amended—

1           (1) by inserting “any State legislature or of”  
2       before “any local council” in the material preceding  
3       subparagraph (A), and

4           (2) by striking “such council” in subparagraph  
5       (B)(i) and inserting “such legislature, council,”.

6       (b) CLERICAL AMENDMENT.—The paragraph head-  
7       ing of paragraph (2) of section 162(e) of such Code is  
8       amended by inserting “STATE OR” before “LOCAL”.

9       (c) EFFECTIVE DATE.—The amendments made by  
10      this section shall apply to amounts paid or incurred after  
11      the date of the enactment of this Act.

○