

107TH CONGRESS
2D SESSION

H. R. 4980

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2002

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 2002”.

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 25B the following new
2 section:

3 **“SEC. 25C. CREDIT FOR POLITICAL CONTRIBUTIONS.**

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

9 “(b) LIMITATIONS.—

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

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

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

19 “(1) POLITICAL CONTRIBUTION.—The term
20 ‘political contribution’ means a contribution or gift
21 of money, or the fair market value of a contribution
22 or gift of property, to—

23 “(A) an individual who is a candidate for
24 nomination or election to any Federal elective
25 public office in any primary, general, or special

1 election, for use by such individual to further
2 the candidacy of the individual for nomination
3 or election to such office, or

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

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

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

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

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

18 “(A) in the case of political contributions
19 made during a taxable year of the taxpayer in
20 which the electors of President and Vice Presi-
21 dent are chosen, a political party presenting
22 candidates or electors for such offices on the of-
23 ficial election ballot of ten or more States; or

24 “(B) in the case of political contributions
25 made during any other taxable year of the tax-

5 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction
6 shall be allowed under this chapter for any amount taken
7 into account in determining the credit allowed under this
8 section.

“For transfer of appreciated property to a political organization, see section 84.

“For certain indirect contributions to political parties, see section 276.”.

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code (relating to nonrefundable personal credits) is amended by inserting after the item relating to section 25B the following new item:

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

19 SEC. 3. DEDUCTION FOR CERTAIN POLITICAL CONTRIBU-
20 TIONS.

21 (a) IN GENERAL.—Part VII of subchapter B of chap-
22 ter 1 of the Internal Revenue Code of 1986 is amended

1 by redesignating section 223 as section 224 and by insert-
 2 ing after section 222 the following new section:

3 **“SEC. 223. POLITICAL CONTRIBUTIONS.**

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

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

11 “(c) QUALIFIED POLITICAL CONTRIBUTION.—For
 12 purposes of this section, the term ‘qualified political con-
 13 tribution’ shall have the meaning given the term ‘political
 14 contribution’ by section 25C(c)(1).”.

15 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
 16 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
 17 of section 62 of such Code is amended by inserting after
 18 paragraph (18) the following new item:

19 “(19) QUALIFIED POLITICAL CONTRIBU-
 20 TIONS.—The deduction allowed by section 223.”.

21 (c) CLERICAL AMENDMENT.—The table of sections
 22 for part VII of subchapter B of chapter 1 of such Code
 23 is amended by striking the last item and inserting the fol-
 24 lowing new items:

“Sec. 223. Political contributions.

“Sec. 224. Cross reference.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31 of the calendar year in which this Act is
4 enacted.

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