

107TH CONGRESS
2D SESSION

S. 2825

To amend the Internal Revenue Code of 1986 to allow a nonrefundable tax credit for contributions to congressional candidates.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2002

Mr. DORGAN (for himself and Mr. WARNER) 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 allow a nonrefundable tax credit for contributions to congressional candidates.

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. CREDIT FOR CONTRIBUTIONS TO CONGRES-**
4 **SIONAL CANDIDATES.**

5 (a) GENERAL RULE.—Subpart A of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to nonrefundable personal credits) is
8 amended by inserting after section 25B the following new
9 section:

1 **“SEC. 25C. CONTRIBUTIONS TO CONGRESSIONAL CAN-**
 2 **DIDATES.**

3 “(a) GENERAL RULE.—In the case of an eligible indi-
 4 vidual, there shall be allowed as a credit against the tax
 5 imposed by this chapter for the taxable year an amount
 6 equal to the total of contributions to candidates for the
 7 office of Senator or Representative in, or Delegate or Resi-
 8 dent Commissioner to, the Congress.

9 “(b) MAXIMUM CREDIT.—The credit allowed by sub-
 10 section (a) for a taxable year shall not exceed \$200 (\$400
 11 in the case of a joint return).

12 “(c) VERIFICATION.—The credit allowed by sub-
 13 section (a) shall be allowed, with respect to any contribu-
 14 tion, only if such contribution is verified in such manner
 15 as the Secretary shall prescribe by regulations.

16 “(d) DEFINITIONS.—For purposes of this section—

17 “(1) CANDIDATE; CONTRIBUTION.—The terms
 18 ‘candidate’ and ‘contribution’ have the meanings
 19 given such terms in section 301 of the Federal Elec-
 20 tion Campaign Act of 1971.

21 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible
 22 individual’ means any taxpayer whose adjusted gross
 23 income for the taxable year does not exceed \$60,000
 24 (\$120,000 in the case of a joint return).”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 642 of the Internal Revenue Code
2 of 1986 (relating to special rules for credits and de-
3 ductions of estates or trusts) is amended by adding
4 at the end the following new subsection:

5 “(j) CREDIT FOR CERTAIN CONTRIBUTIONS NOT AL-
6 LOWED.—An estate or trust shall not be allowed the credit
7 against tax provided by section 25C.”.

8 (2) The table of sections for subpart A of part
9 IV of subchapter A of chapter 1 of such Code is
10 amended by inserting after the item relating to sec-
11 tion 25B the following new item:

 “Sec. 25C. Contributions to congressional candidates.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2002.

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