

108TH CONGRESS  
1ST SESSION

# H. R. 157

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. PETRI (for himself, Mr. KANJORSKI, Mr. FRANKS of Arizona, and Mr. ENGLISH) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 2003”.

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-

1 payer, a political party which met the qualifica-  
2 tions described in subparagraph (A) in the last  
3 preceding election of a President and Vice  
4 President.

5 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction  
6 shall be allowed under this chapter to a taxpayer for any  
7 political contribution made during the taxable year if any  
8 credit is allowed under this section to such taxpayer for  
9 such year.

10 “(e) CROSS REFERENCES.—

“For transfer of appreciated property to a polit-  
ical organization, see section 84.

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

11 (b) CONFORMING AMENDMENT.—The table of sec-  
12 tions for subpart A of part IV of subchapter A of chapter  
13 1 of such Code (relating to nonrefundable personal cred-  
14 its) is amended by inserting after the item relating to sec-  
15 tion 25B the following new item:

“Sec. 25C. Credit for political contributions.”

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

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

3 (a) IN GENERAL.—Part VII of subchapter B of chap-  
4 ter 1 of the Internal Revenue Code of 1986 is amended  
5 by redesignating section 223 as section 224 and by insert-  
6 ing after section 222 the following new section:

7 **“SEC. 223. POLITICAL CONTRIBUTIONS.**

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

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

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

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

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

25 (c) CLERICAL AMENDMENT.—The table of sections  
26 for part VII of subchapter B of chapter 1 of such Code

1 is amended by striking the last item and inserting the fol-  
2 lowing new items:

“Sec. 223. Political contributions.  
“Sec. 224. Cross reference.”.

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

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