

109TH CONGRESS  
1ST SESSION

# H. R. 958

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

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 17, 2005

Mr. PETRI (for himself, Mr. KANJORSKI, and Mr. RAHALL) 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 2005”.

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 CERTAIN POLITICAL CONTRIBU-**  
4 **TIONS.**

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

10 “(b) LIMITATIONS.—

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

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

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

20 “(1) QUALIFIED POLITICAL CONTRIBUTION.—

21 The term ‘qualified political contribution’ means a  
22 contribution or gift of money, or the fair market  
23 value of a contribution or gift of property, to—

24 “(A) an individual who is a candidate for  
25 nomination or election to any Federal elective

1 public office in any primary, general, or special  
2 election, for use by such individual to further  
3 the candidacy of the individual for nomination  
4 or election to such office, or

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

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

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

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

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

19 “(A) in the case of qualified political con-  
20 tributions made during a taxable year of the  
21 taxpayer in which the electors of President and  
22 Vice President are chosen, a political party pre-  
23 senting candidates or electors for such offices  
24 on the official election ballot of ten or more  
25 States; or

1 “(B) in the case of qualified political con-  
 2 tributions made during any other taxable year  
 3 of the taxpayer, a political party which met the  
 4 qualifications described in subparagraph (A) in  
 5 the last preceding election of a President and  
 6 Vice President.

7 “(d) ELECTION NOT TO HAVE SECTION APPLY.—A  
 8 taxpayer may elect not to have this section apply with re-  
 9 spect to qualified political contributions made during the  
 10 taxable year.

11 “(e) CROSS REFERENCES.—

“For transfer of appreciated property to a political organization, see section 84.  
 “For certain indirect contributions to political parties, see section 276.”.

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

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

17 (c) EFFECTIVE DATE.—The amendments made by  
 18 this section shall apply to taxable years beginning after  
 19 December 31 of the calendar year in which this Act is  
 20 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 224 as section 225 and by insert-  
6 ing after section 223 the following new section:

7 **“SEC. 224. 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 such term by sec-  
18 tion 25C(c)(1).

19 “(d) DENIAL OF DOUBLE BENEFIT.—No deduction  
20 shall be allowed under subsection (a) to a taxpayer for  
21 any qualified political contribution made during the tax-  
22 able year if a credit is allowed to such taxpayer under sec-  
23 tion 25C for such year.”.

24 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-  
25 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)

1 of section 62 of such Code is amended by inserting before  
2 the last sentence at the end the following new paragraph:

3           “(21) QUALIFIED POLITICAL CONTRIBU-  
4           TIONS.—The deduction allowed by section 224.”.

5           (c) CLERICAL AMENDMENT.—The table of sections  
6 for part VII of subchapter B of chapter 1 of such Code  
7 is amended by redesignating the item relating to section  
8 224 as an item relating to section 225 and by inserting  
9 before such item the following new item:

“Sec. 224. Political contributions.”.

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

○