

111TH CONGRESS
2D SESSION

S. 3681

To amend the Internal Revenue Code of 1986 to reform the system of public financing for Presidential elections, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2010

Mr. FEINGOLD 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 reform the system of public financing for Presidential elections, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Presidential Funding Act of 2010”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PRIMARY ELECTIONS

Sec. 101. Increase in and modifications to matching payments.

Sec. 102. Eligibility requirements for matching payments.

- Sec. 103. Inflation adjustment for contribution limitations and matching contributions.
- Sec. 104. Repeal of expenditure limitations.
- Sec. 105. Period of availability of matching payments.
- Sec. 106. Examination and audits of matchable contributions.
- Sec. 107. Modification to limitation on contributions for presidential primary candidates.

TITLE II—GENERAL ELECTIONS

- Sec. 201. Modification of eligibility requirements for public financing.
- Sec. 202. Repeal of expenditure limitations and use of qualified campaign contributions.
- Sec. 203. Matching payments and other modifications to payment amounts.
- Sec. 204. Inflation adjustment for payment amounts and qualified contributions.
- Sec. 205. Increase in limit on coordinated party expenditures.
- Sec. 206. Establishment of uniform date for release of payments.
- Sec. 207. Amounts in Presidential Election Campaign Fund.
- Sec. 208. Use of general election payments for general election legal and accounting compliance.

TITLE III—POLITICAL CONVENTIONS

- Sec. 301. Repeal of public financing of party conventions.
- Sec. 302. Contributions for political conventions.
- Sec. 303. Prohibition on use of soft money.

TITLE IV—OTHER PROVISIONS

- Sec. 401. Revisions to designation of income tax payments by individual taxpayers.
- Sec. 402. Regulations with respect to best efforts for identifying persons making contributions.
- Sec. 403. Prohibition on joint fundraising committees.
- Sec. 404. Disclosure of bundled contributions to presidential campaigns.
- Sec. 405. Judicial review of actions related to campaign finance laws.

TITLE V—OFFSETS

- Sec. 501. Reforming irrigation subsidies.

TITLE VI—SEVERABILITY AND EFFECTIVE DATE

- Sec. 601. Severability.
- Sec. 602. Effective date.

1 **TITLE I—PRIMARY ELECTIONS**

2 **SEC. 101. INCREASE IN AND MODIFICATIONS TO MATCHING** 3 **PAYMENTS.**

4 (b) INCREASE AND MODIFICATION.—

1 (1) IN GENERAL.—The first sentence of section
 2 9034(a) of the Internal Revenue Code of 1986 is
 3 amended—

4 (A) by striking “an amount equal to the
 5 amount of each contribution” and inserting “an
 6 amount equal to 400 percent of the amount of
 7 each matchable contribution”; and

8 (B) by striking “authorized committees”
 9 and all that follows through “\$250” and insert-
 10 ing “authorized committees”.

11 (2) MATCHABLE CONTRIBUTIONS.—Section
 12 9034 of such Code is amended—

13 (A) by striking the last sentence of sub-
 14 section (a); and

15 (B) by inserting after subsection (b) the
 16 following new subsection:

17 “(c) MATCHABLE CONTRIBUTION DEFINED.—For
 18 purposes of this section and section 9033(b)—

19 “(1) MATCHABLE CONTRIBUTION.—The term
 20 ‘matchable contribution’ means, with respect to the
 21 nomination for election to the office of President of
 22 the United States, a contribution by an individual to
 23 a candidate or an authorized committee of a can-
 24 didate—

25 “(A) which does not exceed \$200, and

1 “(B) with respect to which the candidate
2 has certified in writing that—

3 “(i) the individual making such con-
4 tribution has not made aggregate contribu-
5 tions (including such matchable contribu-
6 tion) to such candidate and the authorized
7 committees of such candidate in excess of
8 \$200 with respect to such nomination,

9 “(ii) such candidate and the author-
10 ized committees of such candidate will not
11 accept contributions from such individual
12 (including such matchable contribution)
13 aggregating more than \$200 with respect
14 to such nomination, and

15 “(iii) such contribution was not—

16 “(I) forwarded from the contrib-
17 utor from any person other than an
18 individual, or

19 “(II) received by the candidate or
20 committee from a contributor or con-
21 tributors, but credited by the com-
22 mittee or candidate to another person
23 who is not an individual through
24 records, designations, or other means
25 of recognizing that a certain amount

1 of money has been raised by such per-
 2 son.

3 “(2) CONTRIBUTION.—For purposes of this
 4 subsection, the term ‘contribution’ means a gift of
 5 money made by a written instrument which identi-
 6 fies the individual making the contribution by full
 7 name and mailing address, but does not include a
 8 subscription, loan, advance, or deposit of money, or
 9 anything of value or anything described in subpara-
 10 graph (B), (C), or (D) of section 9032(4).”.

11 (3) CONFORMING AMENDMENTS.—

12 (A) Section 9032(4) of such Code is
 13 amended by striking “section 9034(a)” and in-
 14 serting “section 9034”.

15 (B) Section 9033(b)(3) of such Code is
 16 amended by striking “matching contributions”
 17 and inserting “matchable contributions”.

18 (b) MODIFICATION OF PAYMENT LIMITATION.—Sec-
 19 tion 9034(b) of the Internal Revenue Code of 1986 is
 20 amended by striking “shall not exceed” and all that fol-
 21 lows and inserting “shall not exceed \$100,000,000.”.

22 **SEC. 102. ELIGIBILITY REQUIREMENTS FOR MATCHING**
 23 **PAYMENTS.**

24 (a) AMOUNT OF AGGREGATE CONTRIBUTIONS PER
 25 STATE.—Section 9033(b)(3) of the Internal Revenue Code

1 of 1986 is amended by striking “\$5,000” and inserting
2 “\$25,000”.

3 (b) CONTRIBUTION LIMIT.—

4 (1) IN GENERAL.—Paragraph (4) of section
5 9033(b) of such Code is amended to read as follows:

6 “(4) the candidate and the authorized commit-
7 tees of the candidate will not accept aggregate con-
8 tributions from any person with respect to the nomi-
9 nation for election to the office of President of the
10 United States in excess of \$1,000.”.

11 (2) CONFORMING AMENDMENTS.—

12 (A) Section 9033(b) of such Code is
13 amended by adding at the end the following
14 new flush sentence:

15 “For purposes of paragraph (4), the term ‘contribution’
16 has the meaning given such term in section 301(8) of the
17 Federal Election Campaign Act of 1971.”.

18 (B) Section 9032(4) of such Code, as
19 amended by section 101(a)(3)(A) is amended by
20 inserting “or 9033(b)” after “9034”.

21 (c) BAN ON CONTRIBUTIONS BY LOBBYISTS AND
22 PACS.—Section 9033(b) of such Code, as amended by
23 subsection (b), is amended—

24 (1) by striking “and” at the end of paragraph

25 (3);

1 (2) by striking the period at the end of para-
 2 graph (4) and inserting “, and”; and

3 (3) by adding at the end the following new
 4 paragraph:

5 “(5) the candidate and the authorized com-
 6 mittee of the candidate will not accept—

7 “(A) any contribution from—

8 “(i) an individual who is a current
 9 registrant under section 4(a)(1) of the
 10 Lobbying Disclosure Act of 1995, or

11 “(ii) an individual who is listed on a
 12 current registration filed under section
 13 4(b)(6) of such Act or a current report
 14 under section 5(b)(2)(C) of such Act,

15 “(B) any bundled contribution (as defined
 16 in section 304(i)(8)) forwarded by or credited
 17 to a person described in section 304(i)(7), and

18 “(C) any contribution from a political com-
 19 mittee other than a political committee of a po-
 20 litical party.”.

21 (d) PARTICIPATION IN SYSTEM FOR PAYMENTS FOR
 22 GENERAL ELECTION.—Section 9033(b) of such Code, as
 23 amended by subsection (c), is amended—

24 (1) by striking “and” at the end of paragraph
 25 (4);

1 (2) by striking the period at the end of para-
2 graph (5) and inserting “, and”; and

3 (3) by adding at the end the following new
4 paragraph:

5 “(6) if the candidate is nominated by a political
6 party for election to the office of President, the can-
7 didate will apply for and accept payments with re-
8 spect to the general election for such office in ac-
9 cordance with chapter 95.”.

10 **SEC. 103. INFLATION ADJUSTMENT FOR CONTRIBUTION**
11 **LIMITATIONS AND MATCHING CONTRIBU-**
12 **TIONS.**

13 Section 9033 of such Code is amended by adding at
14 the end the following new subsection:

15 “(d) INFLATION ADJUSTMENTS.—

16 “(1) IN GENERAL.—In the case of any applica-
17 ble period beginning after 2012, each of the dollar
18 amounts in subsection (b)(4) and section 9034(b)
19 shall be increased by an amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year following the year which such applicable
24 period begins, determined by substituting ‘cal-

1 endar year 2012’ for ‘calendar year 1992’ in
2 subparagraph (B) thereof.

3 “(2) APPLICABLE PERIOD.—For purposes of
4 this subsection, the term ‘applicable period’ means
5 the 4-year period beginning with the first day fol-
6 lowing the date of the last general election for the
7 office of President and ending on the date of the
8 next such general election.

9 “(3) ROUNDING.—If any amount as adjusted
10 under paragraph (1) is not a multiple of \$100, such
11 amount shall be rounded to the nearest multiple of
12 \$100.”.

13 **SEC. 104. REPEAL OF EXPENDITURE LIMITATIONS.**

14 (a) IN GENERAL.—Subsection (a) of section 9035 of
15 the Internal Revenue Code of 1986 is amended to read
16 as follows:

17 “(a) PERSONAL EXPENDITURE LIMITATION.—No
18 candidate shall knowingly make expenditures from his per-
19 sonal funds, or the personal funds of his immediate family,
20 in connection with his campaign for nomination for elec-
21 tion to the office of President in excess of, in the aggre-
22 gate, \$50,000.”.

23 (b) CONFORMING AMENDMENT.—Paragraph (1) of
24 section 9033(b) of the Internal Revenue Code of 1986 is
25 amended to read as follows:

1 “(1) the candidate will comply with the per-
 2 sonal expenditure limitation under section 9035,”.

3 **SEC. 105. PERIOD OF AVAILABILITY OF MATCHING PAY-**
 4 **MENTS.**

5 Section 9032(6) of such Code is amended by striking
 6 “the beginning of the calendar year in which a general
 7 election for the office of President of the United States
 8 will be held” and inserting “the date that is 6 months
 9 prior to the date of the earliest State primary election”.

10 **SEC. 106. EXAMINATION AND AUDITS OF MATCHABLE CON-**
 11 **TRIBUTIONS.**

12 Section 9038(a) of the Internal Revenue Code of
 13 1986 is amended by inserting “and matchable contribu-
 14 tions accepted by” after “qualified campaign expenses of”.

15 **SEC. 107. MODIFICATION TO LIMITATION ON CONTRIBU-**
 16 **TIONS FOR PRESIDENTIAL PRIMARY CAN-**
 17 **DIDATES.**

18 Section 315(a)(6) of the Federal Election Campaign
 19 Act of 1971 (2 U.S.C. 441a(a)(6)) is amended by striking
 20 “calendar year” and inserting “four-year election cycle”.

21 **TITLE II—GENERAL ELECTIONS**

22 **SEC. 201. MODIFICATION OF ELIGIBILITY REQUIREMENTS**
 23 **FOR PUBLIC FINANCING.**

24 Section 9003(a) of the Internal Revenue Code of
 25 1986 is amended to read as follows:

1 “(a) IN GENERAL.—In order to be eligible to receive
2 any payments under section 9006, the candidates of a po-
3 litical party in a presidential election shall meet the fol-
4 lowing requirements:

5 “(1) PARTICIPATION IN PRIMARY PAYMENT
6 SYSTEM.—The candidate for President received pay-
7 ments under chapter 96 for the campaign for nomi-
8 nation for election to be President.

9 “(2) AGREEMENTS WITH COMMISSION.—The
10 candidates, in writing—

11 “(A) agree to obtain and furnish to the
12 Commission such evidence as it may request of
13 the qualified campaign expenses of such can-
14 didates,

15 “(B) agree to keep and furnish to the
16 Commission such records, books, and other in-
17 formation as it may request, and

18 “(C) agree to an audit and examination by
19 the Commission under section 9007 and to pay
20 any amounts required to be paid under such
21 section.

22 “(3) BAN ON CERTAIN CONTRIBUTIONS AND
23 SOLICITATIONS.—The candidates certify to the Com-
24 mission, under penalty of perjury, the following:

1 “(A) LOBBYISTS AND PACS.—Such can-
 2 didates and the authorized committees of such
 3 candidates will not accept—

4 “(i) any contribution from—

5 “(I) an individual who is a cur-
 6 rent registrant under section 4(a)(1)
 7 of the Lobbying Disclosure Act of
 8 1995, or

9 “(II) an individual who is listed
 10 on a current registration filed under
 11 section 4(b)(6) of such Act or a cur-
 12 rent report under section 5(b)(2)(C)
 13 of such Act,

14 “(ii) any bundled contribution (as de-
 15 fined in section 304(i)(8)) forwarded by or
 16 credited to a person described in section
 17 304(i)(7), and

18 “(iii) any contribution from a political
 19 committee other than a political committee
 20 of a political party.

21 “(B) SOLICITATIONS FOR JOINT FUND-
 22 RAISING COMMITTEES.—Such candidates and
 23 their authorized committees will not, after June
 24 1 of the election year, solicit any funds for any

1 joint fundraising committee that includes any
 2 committee of a political party.

3 “(C) SOLICITATION FOR POLITICAL PAR-
 4 TIES.—Such candidates and their authorized
 5 committees will not, after the date described in
 6 section 9006(b), solicit any funds for any com-
 7 mittee of a political party.

8 Such certification shall be made within such time
 9 prior to the day of the presidential election as the
 10 Commission shall prescribe by rules or regulations.”.

11 **SEC. 202. REPEAL OF EXPENDITURE LIMITATIONS AND USE**
 12 **OF QUALIFIED CAMPAIGN CONTRIBUTIONS.**

13 (a) MAJOR PARTIES.—Subsection (b) of section 9003
 14 of the Internal Revenue Code of 1986 is amended to read
 15 as follows:

16 “(b) MAJOR PARTIES.—In order to be eligible to re-
 17 ceive any payments under section 9006, the candidates of
 18 a major party in a presidential election shall certify to the
 19 Commission, under penalty of perjury, that—

20 “(1) such candidates and their authorized com-
 21 mittees have not and will not accept any contribu-
 22 tions to defray qualified campaign expenses other
 23 than—

24 “(A) qualified campaign contributions, and

1 “(B) contributions to the extent necessary
 2 to make up any deficiency payments received
 3 out of the fund on account of the application of
 4 section 9006(c), and

5 “(2) such candidates and their authorized com-
 6 mittees have not and will not accept any contribu-
 7 tion to defray expenses which would be qualified
 8 campaign expenses but for subparagraph (C) of sec-
 9 tion 9002(11).

10 Such certification shall be made at the same time as the
 11 certification required under subsection (a)(3).”.

12 (b) MINOR AND NEW PARTIES.—Subsection (c) of
 13 section 9003 of the Internal Revenue Code of 1986 is
 14 amended to read as follows:

15 “(c) MINOR AND NEW PARTIES.—In order to be eli-
 16 gible to receive any payments under section 9006, the can-
 17 didates of a minor or new party in a presidential election
 18 shall certify to the Commission, under penalty of perjury,
 19 that such candidates and their authorized committees have
 20 not and will not accept any contributions to defray quali-
 21 fied campaign expenses other than—

22 “(1) qualified campaign contributions, and

23 “(2) contributions other than qualified cam-
 24 paign contributions to the extent to which—

1 “(A) the aggregate payments to which
 2 such candidates would be entitled under section
 3 9004 if such candidates were candidates of a
 4 major party, exceed

5 “(B) the aggregate payments to which
 6 such candidates are entitled to under section
 7 9004.

8 Such certification shall be made at the same time as the
 9 certification required under subsection (a)(3).”.

10 (c) DEFINITION OF QUALIFIED CAMPAIGN CON-
 11 TRIBUTIONS.—Section 9002 of the Internal Revenue Code
 12 of 1986 is amended by adding at the end the following
 13 new paragraph:

14 “(13) QUALIFIED CAMPAIGN CONTRIBUTION.—
 15 The term ‘qualified campaign contribution’ means,
 16 with respect to any election for the office of Presi-
 17 dent of the United States, a contribution from an in-
 18 dividual to a candidate or an authorized committee
 19 of a candidate which—

20 “(A) is made after June 1 of the year in
 21 which the election is held,

22 “(B) does not exceed \$500, and

23 “(C) with respect to which the candidate
 24 has certified in writing that—

1 “(i) the individual making such con-
 2 tribution has not made aggregate contribu-
 3 tions (including such qualified contribu-
 4 tion) to such candidate and the authorized
 5 committees of such candidate in excess of
 6 \$500 with respect to such election, and

7 “(ii) such candidate and the author-
 8 ized committees of such candidate will not
 9 accept contributions from such individual
 10 (including such qualified contribution) ag-
 11 gregating more than \$500 with respect to
 12 such election.”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) REPEAL OF EXPENDITURE LIMITS.—

15 (A) Section 315 of the Federal Election
 16 Campaign Act of 1971 (2 U.S.C. 441a) is
 17 amended by striking subsection (b).

18 (B) Section 315(c) of such Act (2 U.S.C.
 19 441a(c)) is amended—

20 (i) in paragraph (1)(B)(i), by striking
 21 “, (b)”;

22 (ii) in paragraph (2)(B)(i), by striking
 23 “subsections (b) and (d)” and inserting
 24 “subsection (d)”.

1 (2) LIMITATION ON PAYMENTS TO CANDIDATES
 2 OF MINOR AND NEW PARTIES.—Paragraph (1) of
 3 section 9004(b) of the Internal Revenue Code of
 4 1986 is amended by inserting “, other than qualified
 5 contributions,” after “contributions”.

6 (3) REPAYMENTS.—

7 (A) Section 9007(b) of such Code is
 8 amended by striking paragraph (2) and redesignig-
 9 nating paragraphs (3), (4), and (5) as para-
 10 graphs (2), (3), and (4), respectively.

11 (B) Paragraph (2) of section 9007(b) of
 12 such Code, as redesignated by subparagraph
 13 (A), is amended by inserting “qualified con-
 14 tributions and” after “contributions (other
 15 than”.

16 (4) CRIMINAL PENALTIES.—

17 (A) EXCESS EXPENSES.—Section 9012(a)
 18 of the Internal Revenue Code of 1986 is
 19 amended by striking the first sentence.

20 (B) CONTRIBUTIONS.—

21 (i) CANDIDATES OF MAJOR PAR-
 22 TIES.—Section 9012(b)(1) of the Internal
 23 Revenue Code of 1986 is amended by in-
 24 serting “other than qualified contribu-

tions,” after “to defray qualified campaign expenses,”.

(ii) CANDIDATES OF OTHER PARTIES.—Section 9012(b)(2) of such Code is amended by inserting “, other than qualified contributions,” after “contributions”.

SEC. 203. MATCHING PAYMENTS AND OTHER MODIFICATIONS TO PAYMENT AMOUNTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENTS FOR MAJOR PARTY CANDIDATES.—Subsection (a) of section 9004 of the Internal Revenue Code of 1986 is amended to read as follows:

“(a) IN GENERAL.—Subject to the provisions of this chapter—

“(1) MAJOR PARTIES.—The eligible candidates of each major party in a presidential election shall be entitled to equal payment under section 9006 in an amount equal to—

“(A) \$50,000,000, plus

“(B) an amount equal to 400 percent of the amount of each matchable contribution received by such candidate on or after June 1 of the year of the presidential election, or by his authorized committees.

1 The total amount of payments to which a major
 2 party candidate is entitled under subparagraph (B)
 3 shall not exceed \$150,000,000.

4 “(2) PRE-ELECTION PAYMENTS FOR MINOR
 5 AND NEW PARTIES.—

6 “(A) PAYMENT BASED ON PRIOR VOTES
 7 RECEIVED BY PARTY.—

8 “(i) IN GENERAL.—The eligible can-
 9 didates of a minor party in a presidential
 10 election shall be entitled to equal payment
 11 under section 9006 in an amount equal to
 12 the sum of—

13 “(I) the product of the popular
 14 vote ratio with respect to such minor
 15 party and the amount in effect under
 16 paragraph (1)(A), plus

17 “(II) an amount equal to the ap-
 18 plicable percentage of the amount of
 19 each matchable contribution received
 20 by such candidate on or after June 1
 21 of the year of the presidential election,
 22 or by his authorized committees.

23 The total amount of payments to which
 24 such a candidate is entitled under sub-
 25 clause (II) shall not exceed the product of

the amount in effect under the last sentence of paragraph (1)(A) and the popular vote ratio with respect to such minor party.

“(ii) POPULAR VOTE RATIO WITH RESPECT TO A MINOR PARTY.—For purposes of this subparagraph, the popular vote ratio with respect to a minor party is the ratio of the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election to the average number of popular votes received by the candidates for President of the major parties in the preceding presidential election.

“(iii) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage is the product of 400 percent and the popular vote ratio with respect to such minor party.

“(B) PAYMENT BASED ON PRIOR VOTES RECEIVED BY CANDIDATE.—

“(i) IN GENERAL.—If the candidate of one or more political parties (not including

1 a major party) for the office of President
2 was a candidate for such office in the pre-
3 ceding presidential election and received 5
4 percent or more but less than 25 percent
5 of the total number of popular votes re-
6 ceived by all candidates for such office,
7 such candidate and his running mate for
8 the office of Vice President, upon compli-
9 ance with the provisions of section 9003(a)
10 and (c), shall be treated as eligible can-
11 didates entitled to payments under section
12 9006 in an amount computed as provided
13 in subparagraph (A), determined by sub-
14 stituting ‘the popular vote ratio with re-
15 spect to such candidate’ for ‘the popular
16 vote ratio with respect to such minor
17 party’ each place it appears.

18 “(ii) POPULAR VOTE RATIO WITH RE-
19 SPECT TO A CANDIDATE.—For purposes of
20 this subparagraph, the popular vote ratio
21 with respect to a candidate is the ratio of
22 the number of popular votes received by
23 such candidate for the office of President
24 in the preceding presidential election to the
25 average number of popular votes received

1 by the candidates for President of the
 2 major parties in the preceding presidential
 3 election.

4 “(iii) COORDINATION RULE.—If eligi-
 5 ble candidates of a minor party are enti-
 6 tled to payments under this subparagraph,
 7 such entitlement shall be reduced by the
 8 amount of the entitlement allowed under
 9 subparagraph (A).

10 “(3) POST-ELECTION PAYMENTS FOR MINOR
 11 AND NEW PARTIES.—

12 “(A) IN GENERAL.—The eligible can-
 13 didates of a minor party or a new party in a
 14 presidential election whose candidate for Presi-
 15 dent in such election receives, as such can-
 16 didate, 5 percent or more of the total number
 17 of popular votes cast for the office of President
 18 in such election shall be entitled to payments
 19 under section 9006 equal to the sum of—

20 “(i) the product of the popular vote
 21 ratio with respect to such candidate and
 22 the amount in effect under paragraph
 23 (1)(A), plus

24 “(ii) an amount equal to the applica-
 25 ble percentage of the amount of each

1 matchable contribution received by such
2 candidate on or after June 1 of the year
3 of the presidential election, or by his au-
4 thorized committees.

5 The total amount of payments to which such a
6 candidate is entitled under clause (ii) shall not
7 exceed the product of the amount in effect
8 under the last sentence of paragraph (1)(A)
9 and the popular vote ratio with respect to such
10 candidate.

11 “(B) POPULAR VOTE RATIO WITH RESPECT
12 TO A CANDIDATE.—For purposes of this para-
13 graph, the popular vote ratio with respect to a
14 candidate in a presidential election is the ratio
15 of the number of popular votes received by such
16 candidate for the office of President in such
17 election to the average number of popular votes
18 received by the candidates for President of the
19 major parties in such election.

20 “(C) APPLICABLE PERCENTAGE.—For
21 purposes of subparagraph (A), the applicable
22 percentage is the product of 400 percent and
23 the popular vote ratio with respect to such can-
24 didate.

1 “(D) COORDINATION RULE.—In the case
 2 of eligible candidates entitled to payments
 3 under paragraph (2), the amount allowable
 4 under this paragraph shall be limited to the
 5 amount, if any, by which the entitlement under
 6 the preceding sentence exceeds the amount of
 7 the entitlement under paragraph (2).”.

8 (2) CONFORMING AMENDMENT.—Section
 9 9005(a) is amended by adding at the end the fol-
 10 lowing new sentence: “The Commission shall make
 11 such additional certifications as may be necessary to
 12 receive payments under section 9004.”.

13 (b) MATCHABLE CONTRIBUTION.—Section 9002 of
 14 such Code, as amended by section 202, is amended by add-
 15 ing at the end the following new paragraph:

16 “(14) MATCHABLE CONTRIBUTION.—The term
 17 ‘matchable contribution’ means, with respect to the
 18 election to the office of President of the United
 19 States, a contribution by an individual to a can-
 20 didate or an authorized committee of a candidate—

21 “(A) which does not exceed \$200, and

22 “(B) with respect to which the candidate
 23 has certified in writing that—

24 “(i) the individual making such con-
 25 tribution has not made aggregate contribu-

1 tions (including such matchable contribu-
2 tion) to such candidate and the authorized
3 committees of such candidate in excess of
4 \$200 with respect to such election,

5 “(ii) such candidate and the author-
6 ized committees of such candidate will not
7 accept contributions from such individual
8 (including such matchable contribution)
9 aggregating more than \$200 with respect
10 to such election, and

11 “(iii) such contribution was not—

12 “(I) forwarded from the contrib-
13 utor from any person other than an
14 individual, or

15 “(II) received by the candidate or
16 committee from a contributor or con-
17 tributors, but credited by the com-
18 mittee or candidate to another person
19 who is not an individual through
20 records, designations, or other means
21 of recognizing that a certain amount
22 of money has been raised by such per-
23 son.”.

1 **SEC. 204. INFLATION ADJUSTMENT FOR PAYMENT**
 2 **AMOUNTS AND QUALIFIED CONTRIBUTIONS.**

3 Section 9004 of such Code is amended by adding at
 4 the end the following new subsection:

5 “(f) INFLATION ADJUSTMENTS.—

6 “(1) IN GENERAL.—In the case of any applica-
 7 ble period beginning after 2012, each of the dollar
 8 amounts in subsection (a)(1) and section 9002(13)
 9 shall be increased by an amount equal to—

10 “(A) such dollar amount, multiplied by

11 “(B) the cost-of-living adjustment deter-
 12 mined under section 1(f)(3) for the calendar
 13 year following the year which such applicable
 14 period begins, determined by substituting ‘cal-
 15 endar year 2012’ for ‘calendar year 1992’ in
 16 subparagraph (B) thereof.

17 “(2) APPLICABLE PERIOD.—For purposes of
 18 this subsection, the term ‘applicable period’ means
 19 the 4-year period beginning with the first day fol-
 20 lowing the date of the last general election for the
 21 office of President and ending on the date of the
 22 next such general election.

23 “(3) ROUNDING.—If any amount as adjusted
 24 under paragraph (1) is not a multiple of \$100, such
 25 amount shall be rounded to the nearest multiple of
 26 \$100.”.

1 **SEC. 205. INCREASE IN LIMIT ON COORDINATED PARTY EX-**
2 **PENDITURES.**

3 (a) IN GENERAL.—Section 315(d)(2) of the Federal
4 Election Campaign Act of 1971 (2 U.S.C. 441a(d)(2)) is
5 amended to read as follows:

6 “(2)(A) The national committee of a political party
7 may not make any expenditure in connection with the gen-
8 eral election campaign of any candidate for President of
9 the United States who is affiliated with such party which
10 exceeds \$50,000,000.

11 “(B) For purposes of this paragraph—

12 “(i) any expenditure made by or on behalf of a
13 national committee of a political party and in con-
14 nection with a presidential election shall be consid-
15 ered to be made in connection with the general elec-
16 tion campaign of a candidate for President of the
17 United States who is affiliated with such party; and

18 “(ii) any communication made by or on behalf
19 of such party shall be considered to be made in con-
20 nection with the general election campaign of a can-
21 didate for President of the United States who is af-
22 filiated with such party if any portion of the commu-
23 nication is in connection with such election.

24 “(C) Any expenditure under this paragraph shall be
25 in addition to any expenditure by a national committee
26 of a political party serving as the principal campaign com-

1 mittee of a candidate for the office of President of the
2 United States.”.

3 (b) CONFORMING AMENDMENTS RELATING TO TIM-
4 ING OF COST-OF-LIVING ADJUSTMENT.—

5 (1) IN GENERAL.—Section 315(c)(1) of such
6 Act (2 U.S.C. 441a(c)(1)), as amended by section
7 202(d)(1)(B), is amended—

8 (A) in subparagraph (B), by striking “(d)”
9 and inserting “(d)(3)”; and

10 (B) by inserting at the end the following
11 new subparagraph:

12 “(D) In any calendar year after 2012—

13 “(i) the dollar amount in subsection (d)(2) shall
14 be increased by the percent difference determined
15 under subparagraph (A);

16 “(ii) the amount so increased shall remain in
17 effect for the calendar year; and

18 “(iii) if the amount after adjustment under
19 clause (i) is not a multiple of \$100, such amount
20 shall be rounded to the nearest multiple of \$100.”.

21 (2) BASE YEAR.—Section 315(c)(2)(B) of such
22 Act (2 U.S.C. 441a(c)(2)(B)), as amended by sec-
23 tion 202(d)(1)(B), is amended—

24 (A) in clause (i)—

- 1 (i) by striking “(d)” and inserting
 2 “(d)(3)”; and
 3 (ii) by striking “and” at the end;
 4 (B) in clause (ii), by striking the period at
 5 the end and inserting “; and”; and
 6 (C) by adding at the end the following new
 7 clause:
 8 “(iii) for purposes of subsection (d)(2), cal-
 9 endar year 2011.”.

10 **SEC. 206. ESTABLISHMENT OF UNIFORM DATE FOR RE-**
 11 **LEASE OF PAYMENTS.**

12 (a) DATE FOR PAYMENTS.—

13 (1) IN GENERAL.—Section 9006(b) of the In-
 14 ternal Revenue Code of 1986 is amended to read as
 15 follows:

16 “(b) PAYMENTS FROM THE FUND.—If the Secretary
 17 of the Treasury receives a certification from the Commis-
 18 sion under section 9005 for payment to the eligible can-
 19 didates of a political party, the Secretary shall pay to such
 20 candidates out of the fund the amount certified by the
 21 Commission on the later of—

22 “(1) the last Friday occurring before the first
 23 Monday in September, or

1 “(2) 24 hours after receiving the certifications
2 for the eligible candidates of all major political par-
3 ties.

4 Amounts paid to any such candidates shall be under the
5 control of such candidates.”.

6 (2) CONFORMING AMENDMENT.—The first sen-
7 tence of section 9006(c) of such Code is amended by
8 striking “the time of a certification by the Commis-
9 sion under section 9005 for payment” and inserting
10 “the time of making a payment under subsection
11 (b)”.

12 (b) TIME FOR CERTIFICATION.—Section 9005(a) of
13 the Internal Revenue Code of 1986 is amended by striking
14 “10 days” and inserting “24 hours”.

15 **SEC. 207. AMOUNTS IN PRESIDENTIAL ELECTION CAM-**
16 **PAIGN FUND.**

17 (a) DETERMINATION OF AMOUNTS IN FUND.—Sec-
18 tion 9006(c) of the Internal Revenue Code of 1986 is
19 amended by adding at the end the following new sentence:
20 “In making a determination of whether there are insuffi-
21 cient moneys in the fund for purposes of the previous sen-
22 tence, the Secretary shall take into account in determining
23 the balance of the fund for a Presidential election year
24 the Secretary’s best estimate of the amount of moneys
25 which will be deposited into the fund during the year, ex-

cept that the amount of the estimate may not exceed the average of the annual amounts deposited in the fund during the previous 3 years.”.

(b) SPECIAL RULE FOR FIRST CAMPAIGN CYCLE UNDER THIS ACT.—

(1) IN GENERAL.—Section 9006 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) SPECIAL AUTHORITY TO BORROW.—

“(1) IN GENERAL.—Notwithstanding subsection (c), there are authorized to be appropriated to the fund, as repayable advances, such sums as are necessary to carry out the purposes of the fund during the period ending on the first presidential election occurring after the date of the enactment of this subsection.

“(2) REPAYMENT OF ADVANCES.—

“(A) IN GENERAL.—Advances made to the fund shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the fund.

“(B) RATE OF INTEREST.—Interest on advances made to the fund shall be at a rate de-

1 terminated by the Secretary of the Treasury (as
 2 of the close of the calendar month preceding the
 3 month in which the advance is made) to be
 4 equal to the current average market yield on
 5 outstanding marketable obligations of the
 6 United States with remaining periods to matu-
 7 rity comparable to the anticipated period during
 8 which the advance will be outstanding and shall
 9 be compounded annually.”.

10 (2) EFFECTIVE DATE.—The amendment made
 11 by this subsection shall take effect on the date of the
 12 enactment of this Act.

13 **SEC. 208. USE OF GENERAL ELECTION PAYMENTS FOR GEN-**
 14 **ERAL ELECTION LEGAL AND ACCOUNTING**
 15 **COMPLIANCE.**

16 Section 9002(11) of the Internal Revenue Code of
 17 1986 is amended by adding at the end the following new
 18 sentence: “For purposes of subparagraph (A), an expense
 19 incurred by a candidate or authorized committee for gen-
 20 eral election legal and accounting compliance purposes
 21 shall be considered to be an expense to further the election
 22 of such candidate.”.

TITLE III—POLITICAL CONVENTIONS

SEC. 301. REPEAL OF PUBLIC FINANCING OF PARTY CON- VENTIONS.

(a) IN GENERAL.—Chapter 95 of the Internal Revenue Code of 1986 is amended by striking section 9008.

(b) CONFORMING AMENDMENTS.—

(1) Section 9006(c) of such Code is amended by striking “section 9008(b)(3)”.

(2) Section 9009 of such Code is amended by inserting “and” at the end of paragraph (3), by striking the semicolon at the end of paragraph (4) and inserting a period, and by striking paragraphs (5) and (6).

(3) Section 9012 of such Code, as amended by section 202(d)(4), is amended—

(A) by striking subsection (a) and redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(B) in subsection (a), as redesignated by subparagraph (A), by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

1 (4) Section 9037(a) of such Code is amended
 2 by striking “and for payments under section
 3 9008(b)(3)”.

4 **SEC. 302. CONTRIBUTIONS FOR POLITICAL CONVENTIONS.**

5 (a) SEPARATE CONTRIBUTION LIMITATION.—

6 (1) INDIVIDUALS.—

7 (A) IN GENERAL.—Subsection (a)(1) of
 8 section 315 of the Federal Election Campaign
 9 Act of 1971 (2 U.S.C. 441a) is amended by
 10 striking “or” at the end of subparagraph (C),
 11 by striking the period at the end of subpara-
 12 graph (D) and inserting “; or”, and by adding
 13 at the end the following new subparagraph:

14 “(E) to the national nominating convention
 15 account of political committees established and
 16 maintained by a national political party, in any
 17 4-year period ending on the last day of the cal-
 18 endar year beginning on the day after a general
 19 election for the office of President which, in the
 20 aggregate, exceed the dollar amount in effect
 21 under subparagraph (B);”.

22 (B) CONFORMING AMENDMENT.—Subpara-
 23 graph (B) of section 315(a)(1) of such Act (2
 24 U.S.C. 441a(a)(1)) is amended by inserting
 25 “(other than to the national nominating conven-

1 tion accounts of such political committees which
 2 are described in subparagraph (E))” after “na-
 3 tional political party”.

4 (2) AGGREGATE CONTRIBUTION LIMITATION.—

5 Paragraph (3) of section 315(a) of such Act (2
 6 U.S.C. 441a(a)) is amended by adding at the end
 7 the following new flush sentence:

8 “The dollar amount in subparagraph (B) shall be in-
 9 creased by the amount of contributions (not in excess of
 10 the dollar amount in effect under subparagraph (E)) made
 11 to the national nominating convention account of a polit-
 12 ical committee established and maintained by a national
 13 political party during the period described in the preceding
 14 sentence.”.

15 (b) NATIONAL NOMINATING CONVENTION AC-
 16 COUNT.—Subsection (a) of section 315 of such Act (2
 17 U.S.C. 441a) is amended by adding at the end the fol-
 18 lowing new paragraph:

19 “(9) For purposes of this subsection, the na-
 20 tional nomination convention account of any political
 21 committees established and maintained by a national
 22 political party is a separate account the funds of
 23 which may only be used to defray the costs of the
 24 national nominating convention of such party.”.

1 **SEC. 303. PROHIBITION ON USE OF SOFT MONEY.**

2 Section 323 of the Federal Election Campaign Act
3 of 1971 (2 U.S.C. 441i) is amended by adding at the end
4 the following new subsection:

5 “(g) NATIONAL CONVENTIONS.—Any person de-
6 scribed in subsection (a) or (e) shall not solicit, receive,
7 direct, transfer, or spend any funds in connection with a
8 presidential nominating convention of any political party,
9 including funds from or for a host committee, civic com-
10 mittee, municipality, or any other person or entity spend-
11 ing funds in connection with such a convention, unless
12 such funds—

13 “(1) are not in excess of the amounts permitted
14 with respect to contributions to the political com-
15 mittee established and maintained by a national po-
16 litical party committee under section 315; and

17 “(2) are not from sources prohibited by this Act
18 from making contributions in connection with an
19 election for Federal office.”.

20 **TITLE IV—OTHER PROVISIONS**

21 **SEC. 401. REVISIONS TO DESIGNATION OF INCOME TAX**
22 **PAYMENTS BY INDIVIDUAL TAXPAYERS.**

23 (a) INCREASE IN AMOUNT DESIGNATED.—Section
24 6096(a) of the Internal Revenue Code of 1986 is amend-
25 ed—

1 (1) in the first sentence, by striking “\$3” each
 2 place it appears and inserting “\$10”; and

3 (2) in the second sentence—

4 (A) by striking “\$6” and inserting “\$20”;
 5 and

6 (B) by striking “\$3” and inserting “\$10”.

7 (b) INDEXING.—Section 6096 of such Code is amend-
 8 ed by adding at the end the following new subsection:

9 “(d) INDEXING OF AMOUNT DESIGNATED.—

10 “(1) IN GENERAL.—With respect to each tax-
 11 able year after 2010, each amount referred to in
 12 subsection (a) shall be increased by the percent dif-
 13 ference described in paragraph (2), except that if
 14 any such amount after such an increase is not a
 15 multiple of \$1, such amount shall be rounded to the
 16 nearest multiple of \$1.

17 “(2) PERCENT DIFFERENCE DESCRIBED.—The
 18 percent difference described in this paragraph with
 19 respect to a taxable year is the percent difference
 20 determined under section 315(c)(1)(A) of the Fed-
 21 eral Election Campaign Act of 1971 with respect to
 22 the calendar year during which the taxable year be-
 23 gins, except that the base year involved shall be
 24 2009.”.

1 (c) ENSURING TAX PREPARATION SOFTWARE DOES
 2 NOT PROVIDE AUTOMATIC RESPONSE TO DESIGNATION
 3 QUESTION.—Section 6096 of such Code, as amended by
 4 subsection (b), is amended by adding at the end the fol-
 5 lowing new subsection:

6 “(e) ENSURING TAX PREPARATION SOFTWARE DOES
 7 NOT PROVIDE AUTOMATIC RESPONSE TO DESIGNATION
 8 QUESTION.—The Secretary shall promulgate regulations
 9 to ensure that electronic software used in the preparation
 10 or filing of individual income tax returns does not auto-
 11 matically accept or decline a designation of a payment
 12 under this section.”.

13 (d) PUBLIC INFORMATION PROGRAM ON DESIGNA-
 14 TION.—Section 6096 of such Code, as amended by sub-
 15 sections (b) and (c), is amended by adding at the end the
 16 following new subsection:

17 “(f) PUBLIC INFORMATION PROGRAM.—

18 “(1) IN GENERAL.—The Federal Election Com-
 19 mission shall conduct a program to inform and edu-
 20 cate the public regarding the purposes of the Presi-
 21 dential Election Campaign Fund, the procedures for
 22 the designation of payments under this section, and
 23 the effect of such a designation on the income tax
 24 liability of taxpayers.

1 “(2) USE OF FUNDS FOR PROGRAM.—Amounts
 2 in the Presidential Election Campaign Fund shall be
 3 made available to the Federal Election Commission
 4 to carry out the program under this subsection, ex-
 5 cept that the amount made available for this pur-
 6 pose may not exceed \$10,000,000 with respect to
 7 any Presidential election cycle. In this paragraph, a
 8 ‘Presidential election cycle’ is the 4-year period be-
 9 ginning with January of the year following a Presi-
 10 dential election.”.

11 (e) EFFECTIVE DATE.—The amendments made by
 12 this section shall take effect on the date of the enactment
 13 of this Act.

14 **SEC. 402. REGULATIONS WITH RESPECT TO BEST EFFORTS**
 15 **FOR IDENTIFYING PERSONS MAKING CON-**
 16 **TRIBUTIONS.**

17 Not later than 6 months after the date of enactment
 18 of this Act, the Federal Election Commission shall pro-
 19 mulgate regulations with respect to what constitutes best
 20 efforts under section 302(i) of the Federal Election Cam-
 21 paign Act of 1971 (2 U.S.C. 432(i)) for determining the
 22 identification of persons making contributions to political
 23 committees, including the identifications of persons mak-
 24 ing contributions over the Internet or by credit card. Such
 25 regulations shall include a requirement that in the case

1 of contributions made by a credit card, the political com-
 2 mittee shall ensure that the name on the credit card used
 3 to make the contribution matches the name of the person
 4 making the contribution.

5 **SEC. 403. PROHIBITION ON JOINT FUNDRAISING COMMIT-**
 6 **TEES.**

7 (a) IN GENERAL.—Section 302(e) of the Federal
 8 Election Campaign Act of 1971 (2 U.S.C. 432(e)) is
 9 amended by adding at the end the following new para-
 10 graph:

11 “(6) No authorized committee of a candidate
 12 may establish a joint fundraising committee with a
 13 political committee other than an authorized com-
 14 mittee of a candidate.”.

15 (b) EFFECTIVE DATE.—The amendments made by
 16 this section shall take effect on January 1, 2011.

17 **SEC. 404. DISCLOSURE OF BUNDLED CONTRIBUTIONS TO**
 18 **PRESIDENTIAL CAMPAIGNS.**

19 (a) IN GENERAL.—Paragraphs (1) through (3) of
 20 section 304(i) of the Federal Election Campaign Act of
 21 1971 (2 U.S.C. 434(i)) are amended to read as follows:

22 “(1) IN GENERAL.—

23 “(A) DISCLOSURE OF BUNDLED CON-
 24 TRIBUTIONS BY LOBBYISTS.—Each committee
 25 described in paragraph (6) shall include in the

1 first report required to be filed under this sec-
2 tion after each covered period (as defined in
3 paragraph (2)) a separate schedule setting forth
4 the name, address, and employer of each person
5 reasonably known by the committee to be a per-
6 son described in paragraph (7) who provided 2
7 or more bundled contributions to the committee
8 in an aggregate amount greater than the appli-
9 cable threshold (as defined in paragraph (3))
10 during the covered period, and the aggregate
11 amount of the bundled contributions provided
12 by each such person during the covered period.

13 “(B) DISCLOSURE OF BUNDLED CON-
14 TRIBUTIONS TO PRESIDENTIAL CAMPAIGNS.—
15 Each committee which is an authorized com-
16 mittee of a candidate for the office of President
17 or for nomination to such office shall include in
18 the first report required to be filed under this
19 section after each covered period (as defined in
20 paragraph (2)) a separate schedule setting forth
21 the name, address, and employer of each person
22 who provided 2 or more bundled contributions
23 to the committee in an aggregate amount great-
24 er than the applicable threshold (as defined in
25 paragraph (3)) during the election cycle, and

1 the aggregate amount of the bundled contribu-
 2 tions provided by each such person during the
 3 covered period and such election cycle. Such
 4 schedule shall include a separate listing of the
 5 name, address, and employer of each person in-
 6 cluded on such schedule who is reasonably
 7 known by the committee to be a person de-
 8 scribed in paragraph (7), together with the ag-
 9 gregate amount of bundled contributions pro-
 10 vided by such person during such period and
 11 such cycle.

12 “(2) COVERED PERIOD.—In this subsection, a
 13 ‘covered period’ means—

14 “(A) with respect to a committee which is
 15 an authorized committee of a candidate for the
 16 office of President or for nomination to such of-
 17 fice—

18 “(i) the 4-year election cycle ending
 19 with the date of the election for the office
 20 of the President; and

21 “(ii) any reporting period applicable
 22 to the committee under this section during
 23 which any person provided 2 or more bun-
 24 dled contributions to the committee; and

1 “(B) with respect to any other com-
2 mittee—

3 “(i) the period beginning January 1
4 and ending June 30 of each year;

5 “(ii) the period beginning July 1 and
6 ending December 31 of each year; and

7 “(iii) any reporting period applicable
8 to the committee under this section during
9 which any person described in paragraph
10 (7) provided 2 or more bundled contribu-
11 tions to the committee in an aggregate
12 amount greater than the applicable thresh-
13 old.

14 “(3) APPLICABLE THRESHOLD.—

15 “(A) IN GENERAL.—In this subsection, the
16 ‘applicable threshold’ is—

17 “(i) \$50,000 in the case of a com-
18 mittee which is an authorized committee of
19 a candidate for the office of President or
20 for nomination to such office; and

21 “(ii) \$15,000 in the case of any other
22 committee.

23 In determining whether the amount of bundled
24 contributions provided to a committee by a per-
25 son exceeds the applicable threshold, there shall

1 be excluded any contribution made to the com-
 2 mittee by the person or the person's spouse.

3 “(B) INDEXING.—In any calendar year
 4 after 2012, section 315(c)(1)(B) shall apply to
 5 each amount applicable under subparagraph
 6 (A) in the same manner as such section applies
 7 to the limitations established under subsections
 8 (a)(1)(A), (a)(1)(B), (a)(3), and (h) of such
 9 section, except that for purposes of applying
 10 such section to the amount applicable under
 11 subparagraph (A), the ‘base period’ shall be
 12 2011.”.

13 (b) CONFORMING AMENDMENTS.—Subsection (i) of
 14 section 304 of such Act (2 U.S.C. 434) is amended—

15 (1) in paragraph (5), by striking “described in
 16 paragraph (7)” each place it appears in subpara-
 17 graphs (C) and (D);

18 (2) in paragraph (6), by inserting “(other than
 19 a candidate for the office of President or for nomi-
 20 nation to such office)” after “candidate”; and

21 (3) in paragraph (8)(A)—

22 (A) by striking “, with respect to a com-
 23 mittee described in paragraph (6) and a person
 24 described in paragraph (7),” and inserting “,
 25 with respect to a committee described in para-

1 graph (6) or an authorized committee of a can-
 2 didate for the office of President or for nomina-
 3 tion to such office,”;

4 (B) by striking “by the person” in clause
 5 (i) thereof and inserting “by any person”; and

6 (C) by striking “the person” each place it
 7 appears in clause (ii) and inserting “such per-
 8 son”.

9 (c) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply with respect to reports filed under
 11 section 304 of the Federal Election Campaign Act of 1971
 12 after the date that is 30 days after the date of the enact-
 13 ment of this Act.

14 **SEC. 405. JUDICIAL REVIEW OF ACTIONS RELATED TO CAM-**
 15 **PAIGN FINANCE LAWS.**

16 (a) IN GENERAL.—Title IV of the Federal Election
 17 Campaign Act of 1971 (2 U.S.C. 451 et sq.) is amended
 18 by inserting after section 406 the following new section:

19 **“SEC. 407. JUDICIAL REVIEW.**

20 **“(a) IN GENERAL.—**If any action is brought for de-
 21 claratory or injunctive relief to challenge the constitu-
 22 tionality of any provision of this Act or of chapter 95 or
 23 96 of the Internal Revenue Code of 1986, or is brought
 24 to with respect to any action of the Commission under

1 chapter 95 or 96 of the Internal Revenue Code of 1986,
2 the following rules shall apply:

3 “(1) The action shall be filed in the United
4 States District Court for the District of Columbia
5 and an appeal from the decision of the district court
6 may be taken to the Court of Appeals for the Dis-
7 trict of Columbia Circuit.

8 “(2) In the case of an action relating to declar-
9 atory or injunctive relief to challenge the constitu-
10 tionality of a provision—

11 “(A) a copy of the complaint shall be deliv-
12 ered promptly to the Clerk of the House of
13 Representatives and the Secretary of the Sen-
14 ate; and

15 “(B) it shall be the duty of the United
16 States District Court for the District of Colum-
17 bia, the Court of Appeals for the District of Co-
18 lumbia, and the Supreme Court of the United
19 States to advance on the docket and to expedite
20 to the greatest possible extent the disposition of
21 the action and appeal.

22 “(b) INTERVENTION BY MEMBERS OF CONGRESS.—
23 In any action in which the constitutionality of any provi-
24 sion of this Act or chapter 95 or 96 of the Internal Rev-
25 enue Code of 1986 is raised, any member of the House

1 of Representatives (including a Delegate or Resident Com-
 2 missioner to the Congress) or Senate shall have the right
 3 to intervene either in support of or opposition to the posi-
 4 tion of a party to the case regarding the constitutionality
 5 of the provision. To avoid duplication of efforts and reduce
 6 the burdens placed on the parties to the action, the court
 7 in any such action may make such orders as it considers
 8 necessary, including orders to require intervenors taking
 9 similar positions to file joint papers or to be represented
 10 by a single attorney at oral argument.

11 “(c) CHALLENGE BY MEMBERS OF CONGRESS.—Any
 12 Member of Congress may bring an action, subject to the
 13 special rules described in subsection (a), for declaratory
 14 or injunctive relief to challenge the constitutionality of any
 15 provision of this Act or chapter 95 or 96 of the Internal
 16 Revenue Code of 1986.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) IN GENERAL.—

19 (A) Section 310 of the Federal Election
 20 Campaign Act of 1971 (2 U.S.C. 437h) is re-
 21 pealed.

22 (B) Section 9011 of the Internal Revenue
 23 Code of 1986 is amended to read as follows:

1 **“SEC. 9011. JUDICIAL REVIEW.**

2 “For provisions relating to judicial review of certifi-
 3 cations, determinations, and actions by the Commission
 4 under this chapter, see section 407 of the Federal Election
 5 Campaign Act of 1971.”.

6 (C) Section 9041 of the Internal Revenue
 7 Code of 1986 is amended to read as follows:

8 **“SEC. 9041. JUDICIAL REVIEW.**

9 “For provisions relating to judicial review of actions
 10 by the Commission under this chapter, see section 407 of
 11 the Federal Election Campaign Act of 1971.”.

12 (D) Section 403 of the Bipartisan Cam-
 13 paign Finance Reform Act of 2002 (2 U.S.C.
 14 437h note) is repealed.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to actions brought after the date
 17 of the enactment of this Act.

18 **TITLE V—OFFSETS**

19 **SEC. 501. REFORMING IRRIGATION SUBSIDIES.**

20 (a) DEFINITIONS.—Section 202 of the Reclamation
 21 Reform Act of 1982 (43 U.S.C. 390bb) is amended—

22 (1) by redesignating paragraphs (7) through
 23 (11) as paragraphs (9) through (13), respectively;

24 (2) in paragraph (6), by striking “owned or op-
 25 erated under a lease which” and inserting “that is

1 owned, leased, or operated by an individual or legal
 2 entity and that”;

3 (3) by inserting after paragraph (6) the fol-
 4 lowing:

5 “(7) LEGAL ENTITY.—The term ‘legal entity’
 6 includes a corporation, association, partnership,
 7 trust, joint tenancy, or tenancy in common, or any
 8 other entity that owns, leases, or operates a farm
 9 operation for the benefit of more than 1 individual
 10 under any form of agreement or arrangement.

11 “(8) OPERATOR.—

12 “(A) IN GENERAL.—The term ‘operator’—

13 “(i) means an individual or legal enti-
 14 ty that operates a single farm operation on
 15 a parcel (or parcels) of land that is owned
 16 or leased by another person (or persons)
 17 under any form of agreement or arrange-
 18 ment (or agreements or arrangements);
 19 and

20 “(ii) if the individual or legal entity—

21 “(I) is an employee of an indi-
 22 vidual or legal entity, includes the in-
 23 dividual or legal entity; or

24 “(II) is a legal entity that con-
 25 trols, is controlled by, or is under

1 common control with another legal en-
 2 tity, includes each such other legal en-
 3 tity.

4 “(B) OPERATION OF A FARM OPER-
 5 ATION.—For the purposes of subparagraph (A),
 6 an individual or legal entity shall be considered
 7 to operate a farm operation if the individual or
 8 legal entity is the person that performs the
 9 greatest proportion of the decisionmaking for
 10 and supervision of the agricultural enterprise on
 11 land served with irrigation water.”; and
 12 (4) by adding at the end the following:

13 “(14) SINGLE FARM OPERATION.—

14 “(A) IN GENERAL.—The term ‘single farm
 15 operation’ means the total acreage of land
 16 served with irrigation water for which an indi-
 17 vidual or legal entity is the operator.

18 “(B) RULES FOR DETERMINING WHETHER
 19 SEPARATE PARCELS ARE OPERATED AS A SIN-
 20 GLE FARM OPERATION.—

21 “(i) EQUIPMENT- AND LABOR-SHAR-
 22 ING ACTIVITIES.—The conduct of
 23 equipment- and labor-sharing activities on
 24 separate parcels of land by separate indi-
 25 viduals or legal entities shall not by itself

1 serve as a basis for concluding that the
 2 farming operations of the individuals or
 3 legal entities constitute a single farm oper-
 4 ation.

5 “(ii) PERFORMANCE OF CERTAIN
 6 SERVICES.—The performance by an indi-
 7 vidual or legal entity of an agricultural
 8 chemical application, pruning, or har-
 9 vesting for a farm operation on a parcel of
 10 land shall not by itself serve as a basis for
 11 concluding that the farm operation on that
 12 parcel of land is part of a single farm op-
 13 eration operated by the individual or entity
 14 on other parcels of land.”.

15 (b) IDENTIFICATION OF OWNERS, LESSEES, AND OP-
 16 ERATORS AND OF SINGLE FARM OPERATIONS.—The Rec-
 17 lamation Reform Act of 1982 is amended by inserting
 18 after section 202 (43 U.S.C. 390bb) the following:

19 **“SEC. 202A. IDENTIFICATION OF OWNERS, LESSEES, AND**
 20 **OPERATORS AND OF SINGLE FARM OPER-**
 21 **ATIONS.**

22 “(a) IN GENERAL.—Subject to subsection (b), for
 23 each parcel of land to which irrigation water is delivered
 24 or proposed to be delivered, the Secretary shall identify

1 a single individual or legal entity as the owner, lessee, or
 2 operator.

3 “(b) SHARED DECISIONMAKING AND SUPER-
 4 VISION.—If the Secretary determines that no single indi-
 5 vidual or legal entity is the owner, lessee, or other indi-
 6 vidual that performs the greatest proportion of decision-
 7 making for and supervision of the agricultural enterprise
 8 on a parcel of land—

9 “(1) all individuals and legal entities that own,
 10 lease, or perform a proportion of decisionmaking and
 11 supervision that is equal as among themselves but
 12 greater than the proportion performed by any other
 13 individual or legal entity shall be considered jointly
 14 to be the owner, lessee, or operator; and

15 “(2) all parcels of land of which any such indi-
 16 vidual or legal entity is the owner, lessee, or oper-
 17 ator shall be considered to be part of the single farm
 18 operation of the owner, lessee, or operator identified
 19 under paragraph (1).”.

20 (c) PRICING.—Section 205 of the Reclamation Re-
 21 form Act of 1982 (43 U.S.C. 390ee) is amended by adding
 22 at the end the following:

23 “(d) SINGLE FARM OPERATIONS GENERATING MORE
 24 THAN \$500,000 IN GROSS FARM INCOME.—

1 “(1) IN GENERAL.—Notwithstanding sub-
 2 sections (a), (b), and (c), irrigation water may be de-
 3 livered to the single farm operation of a qualified re-
 4 cipient or limited recipient at less than full cost to
 5 a number of acres that does not exceed the number
 6 of acres determined under paragraph (2) in the case
 7 of—

8 “(A) a qualified recipient that reports
 9 gross farm income from a single farm operation
 10 in excess of \$500,000 for a taxable year; or

11 “(B) a limited recipient that received irri-
 12 gation water on or before October 1, 1981, and
 13 that reports gross farm income from a single
 14 farm operation in excess of \$500,000 for a tax-
 15 able year.

16 “(2) MAXIMUM NUMBER OF ACRES TO WHICH
 17 IRRIGATION WATER MAY BE DELIVERED AT LESS
 18 THAN FULL COST.—The number of acres determined
 19 under this paragraph shall be equal to the product
 20 obtained by multiplying—

21 “(A) the number of acres of the single
 22 farm operation; by

23 “(B) a fraction, the numerator of which is
 24 \$500,000 and the denominator of which is the
 25 amount of gross farm income reported by the

1 qualified recipient or limited recipient in the
2 most recent taxable year.

3 “(3) INFLATION ADJUSTMENT.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graph (D), the \$500,000 amount under para-
6 graphs (1) and (2) for any taxable year begin-
7 ning in a calendar year after 2004 shall be
8 equal to the product obtained by multiplying—

9 “(i) \$500,000; by

10 “(ii) the inflation adjustment factor
11 for the taxable year.

12 “(B) INFLATION ADJUSTMENT FACTOR.—

13 “(i) IN GENERAL.—For purposes of
14 subparagraph (A), the term ‘inflation ad-
15 justment factor’ means, with respect to
16 any calendar year, a fraction the numer-
17 ator of which is the GDP implicit price
18 deflator for the preceding calendar year
19 and the denominator of which is the GDP
20 implicit price deflator for 2004.

21 “(ii) PUBLICATION.—Not later than
22 April 1 of any calendar year, the Secretary
23 shall publish the inflation adjustment fac-
24 tor for the preceding calendar year.

1 “(C) GDP IMPLICIT PRICE DEFLATOR.—

2 For purposes of subparagraph (B), the term
 3 ‘GDP implicit price deflator’ means the first re-
 4 vision of the implicit price deflator for the gross
 5 domestic product as calculated and published by
 6 the Secretary of Commerce.

7 “(D) ROUNDING.—If any increase deter-
 8 mined under subparagraph (A) is not a multiple
 9 of \$100, the increase shall be rounded to the
 10 next lowest multiple of \$100.”.

11 (d) CERTIFICATION OF COMPLIANCE.—Section 206
 12 of the Reclamation Reform Act of 1982 (43 U.S.C. 390ff)
 13 is amended to read as follows:

14 **“SEC. 206. CERTIFICATION OF COMPLIANCE.**

15 “(a) IN GENERAL.—As a condition to the receipt of
 16 irrigation water for land in a district that has a contract
 17 described in section 203, each owner, lessee, or operator
 18 in the district shall furnish the district, in a form pre-
 19 scribed by the Secretary, a certificate that the owner, les-
 20 see, or operator is in compliance with this title, includ-
 21 ing—

22 “(1) a statement of the number of acres owned,
 23 leased, or operated;

24 “(2) the terms of any lease or agreement per-
 25 taining to the operation of a farm operation; and

1 “(3) in the case of a lessee or operator, a cer-
 2 tification that the rent or other fees paid reflect the
 3 reasonable value of the irrigation water to the pro-
 4 ductivity of the land.

5 “(b) DOCUMENTATION.—The Secretary may require
 6 a lessee or operator to submit for the examination of the
 7 Secretary—

8 “(1) a complete copy of any lease or other
 9 agreement executed by each of the parties to the
 10 lease or other agreement; and

11 “(2) a copy of the return of income tax imposed
 12 by chapter 1 of the Internal Revenue Code of 1986
 13 for any taxable year in which the single farm oper-
 14 ation of the lessee or operator received irrigation
 15 water at less than full cost.”.

16 (e) TRUSTS.—Section 214 of the Reclamation Re-
 17 form Act of 1982 (43 U.S.C. 390nn) is repealed.

18 (f) ADMINISTRATIVE PROVISIONS.—

19 (1) PENALTIES.—Section 224(c) of the Rec-
 20 lamation Reform Act of 1982 (43 U.S.C. 390ww(c))
 21 is amended—

22 (A) by striking “(c) The Secretary” and
 23 inserting the following:

24 “(c) REGULATIONS; DATA COLLECTION; PEN-
 25 ALTIES.—

1 “(1) REGULATIONS; DATA COLLECTION.—The
2 Secretary”; and

3 (B) by adding at the end the following:

4 “(2) PENALTIES.—Notwithstanding any other
5 provision of law, the Secretary shall establish appro-
6 priate and effective penalties for failure to comply
7 with any provision of this Act or any regulation
8 issued under this Act.”.

9 (2) INTEREST.—Section 224(i) of the Reclama-
10 tion Reform Act of 1982 (43 U.S.C. 390ww(i)) is
11 amended—

12 (A) by striking “When the Secretary” and
13 inserting the following:

14 “(1) IN GENERAL.—When the Secretary”; and

15 (B) by adding at the end the following:

16 “(2) INTEREST RATE.—The interest rate appli-
17 cable to underpayments under paragraph (1) shall
18 be equal to the rate applicable to expenditures under
19 section 202(3)(C).”.

20 (g) REPORTING.—Section 228 of the Reclamation
21 Reform Act of 1982 (43 U.S.C. 390zz) is amended by in-
22 serting “operator or” before “contracting entity” each
23 place it appears.

1 (h) MEMORANDUM OF UNDERSTANDING.—The Rec-
 2 lamation Reform Act of 1982 is amended by inserting
 3 after section 228 (43 U.S.C. 390zz) the following:

4 **“SEC. 228A. MEMORANDUM OF UNDERSTANDING.**

5 “The Secretary, the Secretary of the Treasury, and
 6 the Secretary of Agriculture shall enter into a memo-
 7 randum of understanding or other appropriate instrument
 8 to permit the Secretary, notwithstanding section 6103 of
 9 the Internal Revenue Code of 1986, to have access to and
 10 use of available information collected or maintained by the
 11 Department of the Treasury and the Department of Agri-
 12 culture that would aid enforcement of the ownership and
 13 pricing limitations of Federal reclamation law.”.

14 **TITLE VI—SEVERABILITY AND**
 15 **EFFECTIVE DATE**

16 **SEC. 601. SEVERABILITY.**

17 If any provision of this Act or amendment made by
 18 this Act, or the application of a provision or amendment
 19 to any person or circumstance, is held to be unconstitu-
 20 tional, the remainder of this Act and amendments made
 21 by this Act, and the application of the provisions and
 22 amendment to any person or circumstance, shall not be
 23 affected by the holding.

1 **SEC. 602. EFFECTIVE DATE.**

2 Except as otherwise provided in this Act, the amend-
3 ments made by this Act shall apply with respect to elec-
4 tions occurring after January 1, 2011.

