

113TH CONGRESS
1ST SESSION

S. 791

To amend the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1986 to require the disclosure of contributions and expenditures for independent Federal election-related activity, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 23, 2013

Mr. WYDEN (for himself and Ms. MURKOWSKI) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Federal Election Campaign Act of 1971 and the Internal Revenue Code of 1986 to require the disclosure of contributions and expenditures for independent Federal election-related activity, 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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Follow the Money Act of 2013”.

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

Sec. 1. Short title, etc.

TITLE I—COMPREHENSIVE REPORTING OF INDEPENDENT FEDERAL ELECTION-RELATED EXPENDITURES AND CONTRIBUTIONS

Sec. 101. Reporting of independent Federal election-related activity expenditures and covered contributions.

Sec. 102. Increase in reporting thresholds for candidate only political committees.

Sec. 103. Instant disclosure system for contributions.

Sec. 104. Modification of rules relating to disclaimer statements required for certain communications.

Sec. 105. Statements disavowing communications.

Sec. 106. Filing by Senate candidates with commission.

TITLE II—REGULATION OF INDEPENDENT FEDERAL ELECTION-RELATED ACTIVITY BY TAX-EXEMPT ENTITIES

Sec. 201. Excise tax on certain tax-exempt organizations failing to report election-related expenditures.

Sec. 202. Loss of tax-exempt status for certain organizations failing to register or report election-related expenditures and contributions.

Sec. 203. Section 527 political organizations required to file with FEC.

Sec. 204. Application of whistleblower protections.

TITLE III—OTHER PROVISIONS

Sec. 301. Joint regulatory authority and advisory opinions.

Sec. 302. Denial of business expense deductions for certain businesses failing to report donations and independent Federal election-related activity expenditures.

Sec. 303. Prohibition on discrimination against donors.

Sec. 304. Severability.

1 **TITLE I—COMPREHENSIVE RE-**
 2 **PORTING OF INDEPENDENT**
 3 **FEDERAL ELECTION-RE-**
 4 **LATED EXPENDITURES AND**
 5 **CONTRIBUTIONS**

6 **SEC. 101. REPORTING OF INDEPENDENT FEDERAL ELEC-**
 7 **TION-RELATED ACTIVITY EXPENDITURES**
 8 **AND COVERED CONTRIBUTIONS.**

9 (a) DEFINITIONS.—Section 7701(a) of the Internal
 10 Revenue Code of 1986 is amended by adding at the end
 11 the following new paragraphs:

12 “(51) INDEPENDENT FEDERAL ELECTION-RE-
 13 LATED ACTIVITY EXPENDITURE.—

14 “(A) IN GENERAL.—The term ‘inde-
 15 pendent Federal election-related activity ex-
 16 penditure’ means—

17 “(i) any expenditure that—

18 “(I) considering the facts and
 19 circumstances, a reasonable person
 20 would conclude is made solely or sub-
 21 stantially for the purpose of influ-
 22 encing or attempting to influence the
 23 nomination or election of any indi-
 24 vidual to any Federal office (including
 25 an expenditure for a public commu-

1 nication that promotes, attacks, sup-
 2 ports, or opposes a candidate); and

3 “(II) that is not made in concert
 4 or cooperation with, or at the sugges-
 5 tion of a candidate, the candidate’s
 6 authorized committee, or a political
 7 party committee; and

8 “(ii) any payment made to another
 9 person if the transferor knows or has rea-
 10 son to know that such payment will be
 11 used to fund an expenditure described in
 12 clause (i).

13 “(B) REGULATIONS AND ADVISORY OPIN-
 14 IONS.—For authority with respect joint regula-
 15 tions and advisory opinions, see section 301 of
 16 the Follow the Money Act of 2013.

17 “(C) OTHER TERMS.—For purposes of this
 18 paragraph, the terms ‘candidate’, ‘Federal of-
 19 fice’, ‘election’, and ‘public communication’ have
 20 the meaning given such terms under section
 21 301 of the Federal Election Campaign Act of
 22 1971.

23 “(52) COVERED CONTRIBUTION.—

24 “(A) IN GENERAL.—The term ‘covered
 25 contribution’ means anything of value received

1 by an independent political actor (as defined in
 2 section 351(1) of the Federal Election Cam-
 3 paign Act of 1971) which can be used by such
 4 person to make an independent Federal elec-
 5 tion-related activity expenditure.

6 “(B) EXCEPTIONS.—A receipt from an-
 7 other person shall not be taken into account
 8 under subparagraph (A)—

9 “(i) if such receipt occurred in a com-
 10 mercial transaction in the ordinary course
 11 of business;

12 “(ii) to the extent of the fair market
 13 value of any goods or services provided by
 14 the organization to such person in consid-
 15 eration for such amount; or

16 “(iii) if such receipt was derived from
 17 investments made by the independent polit-
 18 ical actor (as so defined).

19 “(C) REGULATIONS AND ADVISORY OPIN-
 20 IONS.—For authority with respect joint regula-
 21 tions and advisory opinions, see section 301 of
 22 the Follow the Money Act of 2013.”.

23 (b) REGISTRATION AND REPORTING.—Title III of
 24 the Federal Election Campaign Act of 1971 (2 U.S.C.
 25 431) is amended—

1 (1) by inserting before section 301 the fol-
 2 lowing:

3 **“Subtitle A—Funds Provided to**
 4 **Candidates”,**

5 and

6 (2) by adding at the end the following new sub-
 7 title:

8 **“Subtitle B—Disclosure of Other**
 9 **Election-related Expenditures**
 10 **and Receipts**

11 **“SEC. 351. DEFINITIONS.**

12 “In this subtitle:

13 “(1) INDEPENDENT POLITICAL ACTOR.—

14 “(A) IN GENERAL.—The term ‘inde-
 15 pendent political actor’ means, with respect to
 16 any Federal election cycle, any person that—

17 “(i) makes independent Federal elec-
 18 tion-related activity expenditures of
 19 \$10,000 or more during such Federal elec-
 20 tion cycle;

21 “(ii) receives contributions which—

22 “(I) are intended by the trans-
 23 feror and understood by the recipient
 24 to be substantially used for making

1 Independent Federal election-related
2 activity expenditures, and

3 “(II) aggregate \$10,000 or more
4 during such Federal election cycle; or
5 “(iii) makes qualified solicitations to
6 500 or more persons during such Federal
7 election cycle.

8 For purposes of clause (iii), the term ‘qualified
9 solicitation’ means any solicitation which dis-
10 closes to contributors that a portion of funds
11 received in response to the solicitation will be
12 utilized for independent Federal election-related
13 activity expenditures.

14 “(B) EXCLUSION OF CANDIDATE-ONLY PO-
15 LITICAL COMMITTEES.—The term ‘independent
16 political actor’ shall not include any political
17 committee that exclusively makes contributions
18 (whether direct, in-kind, or via coordinated
19 communications) to candidates.

20 “(2) FEDERAL ELECTION CYCLE.—The term
21 ‘Federal election cycle’ means the period beginning
22 on January 1 of any odd numbered year and ending
23 on December 31 of the following year.

24 “(3) INDEPENDENT FEDERAL ELECTION-RE-
25 LATED ACTIVITY EXPENDITURE.—The term ‘inde-

1 pendent Federal election-related activity expenditure’
 2 has the meaning given such term under section
 3 7701(51) of the Internal Revenue Code of 1986.

4 “(4) COVERED CONTRIBUTION.—The term ‘cov-
 5 ered contribution’ has the meaning given such term
 6 under section 7701(52) of the Internal Revenue
 7 Code of 1986.

8 **“SEC. 352. ORGANIZATION OF INDEPENDENT POLITICAL**
 9 **ACTORS.**

10 “(a) PERSONNEL.—

11 “(1) IN GENERAL.—Each independent political
 12 actor shall designate—

13 “(A) a treasurer; and

14 “(B) a responsible individual.

15 “(2) TREASURER.—As provided by the Com-
 16 mission in regulations—

17 “(A) the treasurer of an independent polit-
 18 ical actor shall have similar duties and respon-
 19 sibilities of the treasurer of a political com-
 20 mittee under subsections (b), (c), and (d) of
 21 section 302; and

22 “(B) rules similar to the rules of section
 23 302(i) shall apply.

24 “(3) JOINT AND SEVERAL LIABILITY.—The
 25 treasurer and responsible individual shall be jointly

1 and severally liable with the independent political
 2 actor for any acts or omissions to which this Act ap-
 3 plies.

4 “(b) ORGANIZATION OF ACCOUNTS OF INDE-
 5 PENDENT POLITICAL ACTORS.—

6 “(1) SAFE HARBOR ACCOUNT.—Each inde-
 7 pendent political actor may elect to have a seg-
 8 regated safe harbor account with respect to each
 9 Federal election cycle consisting of so much of the
 10 covered contributions (including dues) received from
 11 a person during the Federal election cycle as does
 12 not exceed the lesser of—

13 “(A) \$1,000; or

14 “(B) the amount of covered contributions
 15 (including dues) received from such person.

16 “(2) SUPPLEMENTAL CONTRIBUTIONS AC-
 17 COUNT.—Each independent political actor may elect
 18 to have a segregated supplemental contribution ac-
 19 count consisting of the dues and other covered con-
 20 tributions that—

21 “(A) are received in that account; and

22 “(B) are to be used only for the purpose
 23 of making independent Federal election-related
 24 activity expenditures.

1 **“SEC. 353. REGISTRATION.**

2 “(a) IN GENERAL.—Every person who is an inde-
3 pendent political actor with respect to a Federal election
4 cycle shall file a registration statement with the Commis-
5 sion not later than 10 days after such person becomes an
6 independent political actor within the meaning of section
7 351(1).

8 “(b) CONTENTS OF REGISTRATION STATEMENT.—
9 The registration statement shall include the following:

10 “(1) REGISTRANT INFORMATION.—The name
11 and address of the independent political actor, the
12 treasurer of the independent political actor, the re-
13 sponsible individual with respect to the independent
14 political actor, and such other information as the
15 Commission may require.

16 “(2) METHOD FOR REPORTING CONTRIBU-
17 TIONS.—An election with respect to which of the fol-
18 lowing methods the independent political actor elects
19 to use for reporting covered contributions received
20 during the federal election cycle:

21 “(A) ALL RECEIPTS.—A method under
22 which the independent political actor elects to
23 report all covered contributions received during
24 the Federal election cycle.

25 “(B) USE OF SAFE HARBOR CONTRIBU-
26 TION ACCOUNT.—A method under which the

1 independent political actor elects to make inde-
2 pendent Federal election-related activity ex-
3 penditures only from amounts allocated to the
4 safe harbor account of the independent political
5 actor.

6 “(C) USE OF SUPPLEMENTAL CONTRIBU-
7 TION ACCOUNTS.—A method under which the
8 independent political actor—

9 “(i) elects to make independent Fed-
10 eral election-related expenditures only from
11 amounts allocated to the supplemental con-
12 tributions account of such independent po-
13 litical actor; and

14 “(ii) reports all covered contributions
15 made to the supplemental contribution ac-
16 count of such independent political actor.

17 “(D) USE OF SAFE HARBOR AND SUPPLE-
18 MENTAL CONTRIBUTION ACCOUNTS.—A method
19 under which the independent political actor—

20 “(i) elects make independent Federal
21 election-related expenditures only from
22 amounts allocated to the safe harbor and
23 supplemental contributions account of such
24 independent political actor; and

1 “(ii) reports all covered contributions
 2 made to the supplemental contribution ac-
 3 count of such independent political actor.

4 “(E) ALTERNATIVE ALLOCATION PLAN.—
 5 A method under which the independent political
 6 actor elects to make independent Federal elec-
 7 tion-related expenditures and reports covered
 8 contributions under an alternative allocation
 9 plan approved by the Commission.

10 An election under this subsection shall apply to a
 11 Federal election cycle and shall be irrevocable for
 12 such Federal election cycle.

13 “(c) REGISTRATION NUMBER.—The Commission
 14 shall designate a registration number for each independent
 15 political actor registered under this subsection.

16 “(d) AMENDMENTS.—Any change in information pre-
 17 viously submitted in a registration statement of an inde-
 18 pendent political actor shall be reported not later than 10
 19 days after the date of the change.

20 **“SEC. 354. REPORTING BY INDEPENDENT POLITICAL AC-**
 21 **TORS.**

22 “(a) REQUIREMENT TO FILE.—

23 “(1) IN GENERAL.—Every treasurer of an inde-
 24 pendent political actor shall file a statement with the

1 Commission containing the information described in
2 subsection (b).

3 “(2) TIMING OF REPORTING.—

4 “(A) IN GENERAL.—The statement re-
5 quired to be made under paragraph (1) shall be
6 filed with the Commission at the times such
7 statement would be required to be filed if such
8 person were an authorized political committee
9 of a candidate.

10 “(B) COVERED CONTRIBUTIONS.—

11 “(i) IN GENERAL.—On and after the
12 date the Commission establishes the in-
13 stant disclosure system described in section
14 103(a) of the Follow the Money Act of
15 2013, each treasurer of an independent po-
16 litical actor which accepts a covered con-
17 tribution shall file, not later than the time
18 provided under clause (ii), a statement
19 with the Commission containing the infor-
20 mation described in clause (iii).

21 “(ii) TIMING OF REPORTING.—The
22 statement required to be made under
23 clause (i) shall be filed with the Commis-
24 sion—

1 “(I) in the case of a covered con-
 2 tribution made by check, before the
 3 date on which such check has been
 4 cashed or deposited into an account of
 5 the independent political actor;

6 “(II) in the case of a covered
 7 contribution made by credit card or
 8 debit card, within 48 hours of the re-
 9 ceipt of such contribution; and

10 “(III) in any other case, within
 11 10 days of the receipt of such con-
 12 tribution.

13 “(iii) CONTENTS OF STATEMENT.—
 14 Each statement required to be filed under
 15 this clause shall contain the information
 16 required under subsection (b)(2).

17 “(b) CONTENTS OF STATEMENT.—Each statement
 18 required to be filed under this subsection shall contain the
 19 following:

20 “(1) INDEPENDENT FEDERAL ELECTION-RE-
 21 LATED ACTIVITY EXPENDITURES.—With respect to
 22 each independent Federal election-related activity ex-
 23 penditure made by the person—

24 “(A) The date and amount of such expend-
 25 iture.

1 “(B) The name and address of the person
2 to whom such expenditure is made.

3 “(C) The purpose of the expenditure.

4 “(D) Whether such expenditure is in sup-
5 port of, or in opposition to, a candidate, as well
6 as the name and office sought by such can-
7 didate.

8 “(E) Whether the source of any Federal-
9 related activity expenditures was from—

10 “(i) the safe harbor account of the
11 independent political actor,

12 “(ii) a supplemental contributions ac-
13 count of the independent political actor, or

14 “(iii) another source.

15 “(2) COVERED CONTRIBUTIONS.—

16 “(A) IN GENERAL.—With respect to each
17 covered contribution, subject to subparagraphs
18 (A), (B), and (C), the date and amount of each
19 covered contribution received by an independent
20 political actor.

21 “(i) ALL RECEIPTS METHOD.—In the
22 case of any independent political actor who
23 has made an election under section
24 352(b)(2)(A), the identification of each
25 person who made covered contributions to

1 such independent political actor during the
2 Federal election cycle.

3 “(ii) SUPPLEMENTAL CONTRIBUTIONS
4 ACCOUNTS.—In the case of an independent
5 political actor who has made an election
6 under section 353(b)(2)(B), the identifica-
7 tion of each person who made a covered
8 contribution deposited into any such ac-
9 count during the Federal election cycle.

10 “(iii) ALTERNATIVE ALLOCATION
11 PLAN.—In the case of an independent po-
12 litical actor who enters into an alternative
13 allocation plan with the Commission under
14 section 353(b)(2)(C), the information re-
15 quired to be reported under such alter-
16 native allocation plan.

17 “(B) LOOK THROUGH REPORTING FOR
18 CERTAIN TRANSFERS.—In the case of any cov-
19 ered contribution received by an independent
20 political actor which is a independent Federal
21 election-related activity expenditure of another
22 independent political actor (hereinafter in this
23 subparagraph referred to as the ‘transferor’)
24 which is described in clause (ii) of section
25 7701(a)(51)(A) of the Internal Revenue Code of

1 1986, the independent political actor receiving
 2 such covered contribution shall attribute the
 3 amount of the covered contribution to the
 4 transferee and to each person identified in a re-
 5 port of the transferee under this paragraph be-
 6 fore the date of such contribution in the propor-
 7 tion that the amount of covered contributions
 8 so identified by the transferee in such reports
 9 bears to the amount of the covered contribution
 10 received by the independent political actor.

11 “(c) CONFIDENTIALITY PROTECTIONS.—The Com-
 12 mission may prescribe regulations to provide for an excep-
 13 tion to the public disclosure of the identity of a person
 14 who makes a covered contribution under this section if—

15 “(1) the aggregate such contributions made by
 16 such person was \$5,000 or less; and

17 “(2) such person has demonstrated that disclo-
 18 sure of the person’s identity will place the person at
 19 a particularized and specific risk of substantial in-
 20 jury to his or her person or business as a con-
 21 sequence of the disclosure.

22 **“SEC. 355. ENFORCEMENT.**

23 “For purposes of section 309—

1 “(1) a violation of section 354(a) shall be treat-
 2 ed as a violation of section 304(a) for purposes of
 3 subsection (4)(C) thereof, and

4 “(2) the amount required to be paid under any
 5 conciliation agreement or civil penalty imposed for a
 6 violation of section 304 or section 354 shall be re-
 7 duced by the amount of any tax imposed and paid
 8 under section 4969 of the Internal Revenue Code of
 9 1986.”.

10 (c) COORDINATION WITH EXISTING REQUIRE-
 11 MENTS.—

12 (1) DEFINITION OF POLITICAL COMMITTEE.—

13 Section 301(4) of the Federal Election Campaign
 14 Act of 1971 (2 U.S.C. 434(4)) is amended by add-
 15 ing at the end the following flush sentence:

16 “Such term shall not include any person who is an
 17 independent political actor, as defined in section
 18 351(1).”.

19 (2) PROHIBITION ON TRANSFER OF FUNDS
 20 FROM POLITICAL COMMITTEES.—Section 313(b) of
 21 such Act (2 U.S.C. 439a(b)) is amended by adding
 22 at the end the following new paragraph:

23 “(3) TRANSFERS FOR INDEPENDENT FEDERAL
 24 ELECTION-RELATED ACTIVITY EXPENDITURES.—A
 25 contribution to a political committee may not be—

1 “(A) transferred to a safe harbor account
 2 or a supplemental contribution account of an
 3 independent political actor (as defined by sec-
 4 tion 351); or

5 “(B) otherwise used for an independent
 6 Federal election-related activity expenditure (as
 7 defined in section 351).”.

8 (3) TERMINATION OF DUPLICATE REPORTING
 9 REQUIREMENTS.—

10 (A) INDEPENDENT EXPENDITURES.—

11 (i) IN GENERAL.—Section 304(c) of
 12 such Act (2 U.S.C. 434(c)) is amended by
 13 adding at the end the following new para-
 14 graph:

15 “(4) TERMINATION.—This subsection shall not
 16 apply to expenditures made after December 31,
 17 2014.”.

18 (ii) CONFORMING AMENDMENT.—Sec-
 19 tion 304((g) of such Act (2 U.S.C. 434(g))
 20 is amended by adding at the end the fol-
 21 lowing new paragraph:

22 “(5) TERMINATION.—This subsection shall not
 23 apply to expenditures made after December 31,
 24 2014.”.

1 (B) ELECTIONEERING COMMUNICA-
 2 TIONS.—Section 304(f) of such Act (2 U.S.C.
 3 434(f)) is amended by adding at the end the
 4 following new paragraph:

5 “(8) TERMINATION.—Paragraph (1) shall not
 6 apply to expenditures made after December 31,
 7 2014.”.

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to contributions and expenditures
 10 made after December 31, 2014.

11 **SEC. 102. INCREASE IN REPORTING THRESHOLDS FOR CAN-**
 12 **DIDATE ONLY POLITICAL COMMITTEES.**

13 (a) IN GENERAL.—Subparagraphs (A) and (F) of
 14 section 304(b)(3) of the Federal Election Campaign Act
 15 of 1971 (2 U.S.C. 434(b)(3)(A)) are each amended by
 16 striking “ in excess of \$200” and inserting “in excess of
 17 \$1,000”.

18 (b) POLITICAL COMMITTEES.—Paragraph (3) of sec-
 19 tion 304(e) of such Act (2 U.S.C. 434(e)) is amended to
 20 read as follows:

21 “(3) ITEMIZATION.—If a political committee
 22 has—

23 “(A) receipts to which this subsection ap-
 24 plies from any person in excess of \$200 for any
 25 calendar year, or

1 “(B) disbursements to which this sub-
2 section applies to any person in excess of
3 \$1,000 for any calendar year,
4 the political committee shall separately itemize its
5 reporting for such person in the same manner as re-
6 quired in paragraphs (3)(A), (5), and (6) of sub-
7 section (b).”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to contributions and expenditures
10 made after December 31, 2014.

11 **SEC. 103. INSTANT DISCLOSURE SYSTEM FOR CONTRIBU-**
12 **TIONS.**

13 (a) IN GENERAL.—Not later than January 1, 2015,
14 the Federal Election Commission shall make available an
15 instant disclosure system for use in reporting contribu-
16 tions under section 304 of the Federal Election Campaign
17 Act of 1971 (2 U.S.C. 434) and covered contributions
18 under section 354 of such Act. Such system shall include
19 a free internet-based system or free software through
20 which participants may report.

21 (b) USE OF SYSTEM BY POLITICAL COMMITTEES.—
22 Section 304(a) of the Federal Election Campaign Act of
23 1971 (2 U.S.C. 434) is amended by adding at the end
24 the following new paragraph:

1 “(13) REPORTING OF CONTRIBUTIONS FOR
2 CERTAIN POLITICAL COMMITTEES.—

3 “(A) IN GENERAL.—On and after the date
4 the Commission establishes the instant disclo-
5 sure system described in section 103(a) of the
6 Follow the Money Act of 2013, each treasurer
7 of a political committee which accepts a report-
8 able contribution shall file, not later than the
9 time provided under subparagraph (B), a state-
10 ment with the Commission containing the infor-
11 mation described in subparagraph (C).

12 “(B) TIMING OF REPORTING.—The state-
13 ment required to be made under subparagraph
14 (A) shall be filed with the Commission—

15 “(i) in the case of a reportable con-
16 tribution made by check, before the date
17 on which such check has been cashed or
18 deposited into an account of the inde-
19 pendent political actor;

20 “(ii) in the case of a reportable con-
21 tribution made by credit card or debit
22 card, within 48 hours of the receipt of
23 such contribution; and

24 “(iii) in any other case, within 10
25 days of the receipt of such contribution.

1 “(C) CONTENTS OF STATEMENT.—Each
 2 statement required to be filed under this sub-
 3 section shall contain—

4 “(i) the identification of the person
 5 who made the contribution, and

6 “(ii) the date and amount of each
 7 contribution made by such person during
 8 the federal election cycle.

9 “(D) REPORTABLE CONTRIBUTION.—For
 10 purposes of this paragraph, the term ‘reportable
 11 contribution’ means any contribution which
 12 would be required to be reported by the political
 13 committee under subparagraphs (A) or (B) of
 14 subsection (b)(3) on a report submitted under
 15 paragraph (2), (3), or (4) if such report covered
 16 activity through the day the statement under
 17 subparagraph (A) were filed.”.

18 **SEC. 104. MODIFICATION OF RULES RELATING TO DIS-**
 19 **CLAIMER STATEMENTS REQUIRED FOR CER-**
 20 **TAIN COMMUNICATIONS.**

21 (a) APPLYING REQUIREMENTS TO ALL INDE-
 22 PENDENT FEDERAL ELECTION-RELATED ACTIVITY EX-
 23 PENDITURES.—Section 318(a) of the Federal Election
 24 Campaign Act of 1971 (2 U.S.C. 441d(a)) is amended by
 25 striking “ or whenever any person makes a disbursement

1 for the purpose of financing communications expressly ad-
 2 vocating the election or defeat of a clearly identified can-
 3 didate, or” and inserting “whenever an independent polit-
 4 ical actor makes a independent Federal election-related ac-
 5 tivity expenditure consisting of a public communication,
 6 or whenever any person”.

7 (b) STAND BY YOUR AD REQUIREMENTS.—

8 (1) MAINTENANCE OF EXISTING REQUIRE-
 9 MENTS FOR COMMUNICATIONS BY POLITICAL PAR-
 10 TIES AND OTHER POLITICAL COMMITTEES.—Section
 11 318(d)(2) of such Act (2 U.S.C. 441d(d)(2)) is
 12 amended—

13 (A) in the heading, by striking “OTHERS”
 14 and inserting “POLITICAL COMMITTEES”;

15 (B) by striking “subsection (a)” and in-
 16 serting “subsection (a) which is paid for by a
 17 political committee (including a political com-
 18 mittee of a political party)”; and

19 (C) by striking “or other person” each
 20 place it appears.

21 (2) SPECIAL DISCLAIMER REQUIREMENTS FOR
 22 RADIO AND TELEVISION COMMUNICATIONS.—Section
 23 318 of such Act (2 U.S.C. 441d) is amended by add-
 24 ing at the end the following new subsection:

25 “(e) COMMUNICATIONS BY OTHERS.—

1 “(1) IN GENERAL.—Any communication de-
2 scribed in paragraph (3) of subsection (a) which is
3 paid for by an independent political actor and trans-
4 mitted through radio or television shall include, in
5 addition to the requirements of that paragraph, the
6 following:

7 “(A) The name of the independent political
8 actor, conveyed by audio.

9 “(B) The registration number of the inde-
10 pendent political actor, conveyed by audio.

11 “(C) The top 3 funders with respect to the
12 registrant (as described in paragraph (2)), to-
13 gether with the city or residence of each such
14 funder, unless, on the basis of criteria estab-
15 lished in regulations promulgated by the Com-
16 mission, the communication is of such short du-
17 ration that including the top 3 funders with re-
18 spect to the registrant would constitute a hard-
19 ship to the person paying for the communica-
20 tion by requiring a disproportionate amount of
21 the communication’s content to consist of the
22 top 3 funders.

23 “(2) TOP 3 FUNDERS.—For purposes of para-
24 graph (1), the top 3 funders described in this para-
25 graph are the 3 persons who provided the largest

1 covered contributions to the independent political
 2 actor during the Federal election cycle. The Com-
 3 mission shall provide for rules determining the top
 4 3 funders in any case in which 2 or more persons
 5 are reported as having provided covered contribu-
 6 tions.

7 “(3) MANNER OF STATEMENT.—The informa-
 8 tion required under paragraph (1)”.

9 (3) APPLICATION TO CERTAIN MASS MAIL-
 10 INGS.—Section 318(a)(3) of such Act (2 U.S.C.
 11 441d(a)(3)) is amended to read as follows:

12 “(3) if not authorized by a candidate, an au-
 13 thorized political committee of a candidate, or its
 14 agents, shall clearly state—

15 “(A) the name and permanent street ad-
 16 dress, telephone number, and, if applicable, the
 17 World Wide Web address of the person who
 18 paid for the communication;

19 “(B) if the communication is a inde-
 20 pendent Federal election-related activity ex-
 21 penditure made by an independent political
 22 actor—

23 “(i) the name, registration number,
 24 and permanent street address, telephone
 25 number, and, if applicable, the World Wide

1 Web address of the independent political
 2 actor;

3 “(ii) the name of the treasurer of the
 4 independent political actor; and

5 “(iii) each person who would be in-
 6 cluded in the top 3 funders which would be
 7 submitted with respect to the communica-
 8 tion if the communication were transmitted
 9 through television, if any (as determined in
 10 accordance with subsection (e)(2); and

11 “(C) that the communication is not au-
 12 thorized by any candidate or candidate’s com-
 13 mittee.”.

14 (4) APPLICATION TO POLITICAL ROBOCALLS.—
 15 Section 318 of such Act (2 U.S.C. 441d), as amend-
 16 ed by paragraph (2), is further amended by adding
 17 at the end the following new subsection:

18 “(f) SPECIAL RULES FOR POLITICAL ROBOCALLS.—

19 “(1) REQUIRING COMMUNICATIONS TO INCLUDE
 20 CERTAIN DISCLAIMER STATEMENTS.—Any commu-
 21 nication consisting of a political robocall which
 22 would be subject to the requirements of subsection
 23 (e) if the communication were transmitted through
 24 radio or television shall include the following:

1 “(A) The name and city and state of resi-
2 dence of the independent political actor.

3 “(B) The registration number of the inde-
4 pendent political actor.

5 “(C) A phone number associated with the
6 independent political actor where individuals
7 may call with questions and comments and
8 which is staffed during all hours in which such
9 political robocalls are made and for 1 hour after
10 the last such political robocall was made.

11 “(D) The top 3 funders with respect to the
12 registrant (as described in subsection (e)(2)).

13 “(2) TIMING OF CERTAIN STATEMENT.—The
14 statements required to be included under paragraph
15 (1) shall be made at the beginning of the political
16 robocall, unless, on the basis of criteria established
17 in regulations promulgated by the Commission, the
18 communication is of such short duration that includ-
19 ing the statement in the communication would con-
20 stitute a hardship to the person paying for the com-
21 munication by requiring a disproportionate amount
22 of the communication’s content to consist of the
23 statement.

1 “(3) POLITICAL ROBOCALL DEFINED.—In this
2 subsection, the term ‘political robocall’ means any
3 outbound telephone call—

4 “(A) in which a person is not available to
5 speak with the person answering the call, and
6 the call instead plays a recorded message; and

7 “(B) which promotes, supports, attacks, or
8 opposes a candidate for election for Federal of-
9 fice.”.

10 (5) ADDITIONAL AUTHORITY.—

11 (A) IN GENERAL.—Section 318 of such
12 Act (2 U.S.C. 441d), as amended by paragraph
13 (4), is further amended by adding at the end
14 the following new subsection:

15 “(g) CERTAIN REQUIREMENTS DETERMINED BY THE
16 COMMISSION.—The Commission may by regulation pre-
17 scribe disclosure requirements in addition to those re-
18 quired by this section for communications paid for through
19 independent Federal election-related activity expenditures,
20 including requirements for communications using new
21 technologies.”.

22 (B) RULEMAKING.—Not later than August
23 1 of each odd numbered year beginning with
24 calendar year 2015, the Federal Election Com-
25 mission shall issue an advanced notice of pro-

1 posed rulemaking with respect to regulations
 2 under section 318(g) of the Federal Election
 3 Campaign Act of 1971.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to communications made after De-
 6 cember 31, 2014, and shall take effect without regard to
 7 whether or not the Federal Election Commission has pro-
 8 mulgated regulations to carry out such amendments.

9 **SEC. 105. STATEMENTS DISAVOWING COMMUNICATIONS.**

10 Section 304 of the Federal Election Campaign Act
 11 of 1971 (2 U.S.C. 434), as amended by this Act, is amend-
 12 ed by adding at the end the following new subsection:

13 “(k) STATEMENTS OF DISAVOWAL.—

14 “(1) IN GENERAL.—A candidate or an author-
 15 ized committee of a candidate may file with the
 16 Commission a statement disavowing any public com-
 17 munication which is not made in cooperation, con-
 18 sultation, or concert with such candidate or author-
 19 ized committee.

20 “(2) PUBLICATION OF STATEMENT.—The Com-
 21 mission shall make such statement publicly available
 22 on the Commission’s website.”.

1 **SEC. 106. FILING BY SENATE CANDIDATES WITH COMMIS-**
 2 **SION.**

3 (a) IN GENERAL.—Section 302(g) of the Federal
 4 Election Campaign Act of 1971 (2 U.S.C. 432(g)) is
 5 amended to read as follows:

6 “(g) FILING WITH THE COMMISSION.—All designa-
 7 tions, statements, and reports required to be filed under
 8 this Act shall be filed with the Commission.”.

9 (b) EFFECTIVE DATE.—The amendment made by
 10 subsection (a) shall apply to designations, statements, and
 11 reports required to be filed after the date that is 2 months
 12 after the date of the enactment of this Act.

13 **TITLE II—REGULATION OF INDE-**
 14 **PENDENT FEDERAL ELEC-**
 15 **TION-RELATED ACTIVITY BY**
 16 **TAX-EXEMPT ENTITIES**

17 **SEC. 201. EXCISE TAX ON CERTAIN TAX-EXEMPT ORGANIZA-**
 18 **TIONS FAILING TO REPORT ELECTION-RE-**
 19 **LATED EXPENDITURES.**

20 (a) IN GENERAL.—Chapter 42 of the Internal Rev-
 21 enue Code of 1986 is amended by adding at the end the
 22 following new subchapter:

23 **“Subchapter H—Reporting Election-related**
 24 **Activity**

“Sec. 4968. Taxes on failure to report certain election-related activity.

1 **“SEC. 4968. TAXES ON FAILURE TO REPORT CERTAIN ELEC-**
 2 **TION-RELATED ACTIVITY.**

3 “(a) IN GENERAL.—

4 “(1) ON THE ORGANIZATION.—There is hereby
 5 imposed on each failure to report described in sub-
 6 section (b) by a covered tax-exempt organization a
 7 tax equal to 10 percent of the unreported amount.
 8 The tax imposed by this paragraph shall be paid by
 9 the organization.

10 “(2) ON THE RESPONSIBLE PERSON.—Unless a
 11 failure to report described in subsection (b) is not
 12 due to negligence or intentional disregard, there is
 13 hereby imposed on the responsible individual with
 14 respect to the organization to which the failure to
 15 report relates, a tax equal to 2½ percent of the
 16 amount thereof. The tax imposed by this paragraph
 17 shall be paid by the responsible individual.

18 “(b) FAILURES TO REPORT DESCRIBED IN THIS
 19 SUBSECTION.—A failure to report is described in this sub-
 20 section if such failure is a failure to report a covered con-
 21 tribution or an independent Federal election-related activ-
 22 ity expenditure under section 354 of such Act. For pur-
 23 poses of this section, a failure to accurately report an
 24 amount shall be treated as a failure to report such amount
 25 to the extent of the difference between the amount re-
 26 quired to be reported and the amount so reported.

1 “(c) REDUCTION IN AMOUNT OF TAX.—

2 “(1) TAXES ON THE ORGANIZATION.—The tax
3 imposed under subsection (a)(1) shall be reduced by
4 any amount paid by such organization in connection
5 with the failure to report described in subsection
6 (b)—

7 “(A) under any conciliation agreement
8 with the Federal Election Commission under
9 section 309 of the Federal Election Campaign
10 Act of 1971, or

11 “(B) under a civil penalty imposed by the
12 Commission.

13 “(2) TAXES ON THE RESPONSIBLE INDIVIDUAL.—The tax imposed under subsection (a)(2)
14 shall be reduced by any amount paid by such re-
15 sponsible individual in connection with the failure to
16 report described in subsection (b)—

17 “(A) under any conciliation agreement
18 with the Federal Election Commission under
19 section 309 of the Federal Election Campaign
20 Act of 1971, or

21 “(B) under a civil penalty imposed by the
22 Commission.

23 “(d) OTHER DEFINITIONS.—For purposes of this
24 section—
25

1 “(1) COVERED TAX-EXEMPT ORGANIZATION.—

2 The term ‘covered tax-exempt organization’ means
3 any organization which—

4 “(A) without regard to any failure de-
5 scribed in subsection (b)—

6 “(i) would be described in section
7 501(c) and exempt from taxation under
8 section 501(a), or

9 “(ii) is a political organization (as de-
10 fined in section 527), and

11 “(B) is an independent political actor (as
12 defined in section 351(1) of such Act).

13 “(2) RESPONSIBLE INDIVIDUAL.—The term ‘re-
14 sponsible individual’ means, with respect to any cov-
15 ered tax-exempt organization, the individual des-
16 ignated as a responsible individual under section
17 352(a) of the Federal Election Campaign Act of
18 1971.

19 “(e) ABATEMENT.—If it is established to the satisfac-
20 tion of the Secretary that a failure to report described in
21 subsection (b) was due to reasonable cause and not neg-
22 ligence or intentional disregard, then any tax imposed
23 under subsection (a) with respect to such failure (includ-
24 ing interest) shall not be assessed and, if assessed, the

1 assessment shall be abated and, if collected, shall be cred-
 2 ited or refunded as an overpayment.”.

3 (b) CONFORMING AMENDMENT.—The table of sub-
 4 chapters for chapter 42 of such Code is amended by add-
 5 ing at the end the following new item:

“SUBCHAPTER H—REPORTING ELECTION-RELATED ACTIVITY”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to contributions and expenditures
 8 made after December 31, 2014.

9 **SEC. 202. LOSS OF TAX-EXEMPT STATUS FOR CERTAIN OR-**
 10 **GANIZATIONS FAILING TO REGISTER OR RE-**
 11 **PORT ELECTION-RELATED EXPENDITURES**
 12 **AND CONTRIBUTIONS.**

13 (a) IN GENERAL.—Part I of subchapter F of chapter
 14 1 of the Internal Revenue Code of 1986 is amended by
 15 adding at the end the following new section:

16 **“SEC. 506. REQUIREMENT TO REGISTER AND REPORT INDE-**
 17 **PENDENT FEDERAL ELECTION-RELATED AC-**
 18 **TIVITY EXPENDITURES.**

19 “(a) IN GENERAL.—

20 “(1) LOSS OF TAX-EXEMPT STATUS.—An orga-
 21 nization described in section 501(c) shall not be ex-
 22 empt from taxation under section 501(a), and a po-
 23 litical organization described in section 527 shall not
 24 be exempt from tax under such section, for any pe-
 25 riod after the date described in paragraph (2) if

1 such organization is required to register under sec-
 2 tion 303 or 353 of the Federal Election Campaign
 3 Act of 1971 or report under section 304 or 354 of
 4 such Act and fails to do so or, in the case of a re-
 5 port under such section 304 or 354, files an inac-
 6 curate report.

7 “(2) TIME OF LOSS OF EXEMPTION.—The date
 8 described in this paragraph is the date on which the
 9 first failure described in paragraph (1) occurred.

10 “(b) EXCEPTIONS.—

11 “(1) SAFE HARBOR.—Notwithstanding sub-
 12 section (a), an organization shall not fail to be treat-
 13 ed as exempt from tax under section 501(a) or sec-
 14 tion 527 if the sums for which there was a failure
 15 to report under section 304 or 354 of the Federal
 16 Election Campaign Act of 1971 aggregates \$25,000
 17 or less.

18 “(2) BEST EFFORTS.—An organization shall
 19 not fail to be treated as exempt from tax under sec-
 20 tion 501(a) or section 527 if the Secretary deter-
 21 mines that the treasurer or responsible person with
 22 respect to such organization (within the meaning of
 23 section 352 of the Federal Election Campaign Act of
 24 1971) has made best efforts to comply with the re-
 25 quirements to which the failure relates. In any case

1 in which such failure relates to a failure to report
 2 the identification (as defined in section 301 of such
 3 Act) of a person, such best efforts shall not be con-
 4 sidered to have been made unless the treasurer or
 5 responsible person made efforts to contact the per-
 6 son through multiple means of communication and
 7 attempted to use publicly available information to
 8 establish such identification.

9 “(c) DENIAL OF REINSTATEMENT.—Any organiza-
 10 tion to which subsection (a) applies, and any responsible
 11 individual with respect to such organization (as defined
 12 in section 4968(d)(2))—

13 “(1) shall not be eligible to apply for exemption
 14 from taxation under section 501(a), and

15 “(2) shall not be treated as a political organiza-
 16 tion under section 527,

17 before the end of the Federal election cycle (as defined
 18 in section 351(2) of the Federal Election Campaign Act
 19 of 1971) in which the failure described in subsection (a)
 20 occurred.

21 “(d) REASONABLE CAUSE EXCEPTION.—If it is es-
 22 tablished to the satisfaction of the Secretary that a failure
 23 described in subsection (a)(1) was due to reasonable cause
 24 and not negligence or intentional disregard, then sub-
 25 section (a) shall not apply.”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 501(a) of such Code is amended by
3 striking “or 503” and inserting “503, or 506”.

4 (2) The table of sections for part I of sub-
5 chapter F of chapter 1 of such Code is amended by
6 adding at the end the following new item:

“Sec. 506. Requirement to register and report independent Federal election-re-
lated activity expenditures.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to contributions and expenditures
9 made after December 31, 2014.

10 **SEC. 203. SECTION 527 POLITICAL ORGANIZATIONS RE-**
11 **QUIRED TO FILE WITH FEC.**

12 Section 527(j) of such Code is amended by adding
13 at the end the following new paragraph:

14 “(8) NONAPPLICATION TO INDEPENDENT PO-
15 LITICAL ACTORS.—

16 “(A) IN GENERAL.—In the case of a polit-
17 ical organization which is an independent polit-
18 ical actor (as defined in section 351 of the Fed-
19 eral Election Campaign Act of 1971)—

20 “(i) such political organization shall
21 file statements and reports in accordance
22 with section 354 of the Federal Election
23 Campaign Act of 1971, and

1 “(ii) this subsection shall not apply
 2 with respect to information required to be
 3 included on such statements.

4 “(B) CROSS-REFERENCE.—For failure to
 5 meet the requirements of subparagraph (A), see
 6 sections 506 and 4968.”.

7 **SEC. 204. APPLICATION OF WHISTLEBLOWER PROTEC-**
 8 **TIONS.**

9 Paragraph (5) of section 7623(b) of the Internal Rev-
 10 enue Code of 1986 is amended by striking “any action”
 11 and inserting “any action which relates to a violation of
 12 section 506 or to any other action”.

13 **TITLE III—OTHER PROVISIONS**

14 **SEC. 301. JOINT REGULATORY AUTHORITY AND ADVISORY**
 15 **OPINIONS.**

16 (a) REGULATIONS AND FORMS.—

17 (1) JOINT REGULATIONS.—Not later than Sep-
 18 tember 30, 2014, the Secretary of the Treasury, or
 19 the Secretary’s delegate, and the Federal Election
 20 Commission shall prescribe joint regulations with re-
 21 spect to—

22 (A) the definitions of the terms “inde-
 23 pendent Federal election-related activity ex-
 24 penditure” and “covered contribution”, as de-
 25 fined in section 7701(a) of the Internal Rev-

1 enue Code of 1986 and section 351 of the Fed-
 2 eral Election Campaign Act of 1971, as added
 3 by this Act, and

4 (B) forms and regulations necessary to
 5 carry out the registration and reports required
 6 under sections 353 and 354 of the Federal
 7 Election Campaign Act of 1971.

8 (2) TREASURY REGULATIONS.—In the case that
 9 the joint regulations described in paragraph (1) have
 10 not been prescribed by September 31, 2014, the Sec-
 11 retary of the Treasury, or the Secretary’s delegate,
 12 shall prescribe such regulations not later than De-
 13 cember 1, 2014, and such regulations shall apply
 14 with respect to the administration, application, and
 15 enforcement of the Federal Election Campaign Act
 16 of 1971.

17 (3) RULE OF CONSTRUCTION.—The regulations
 18 promulgated under this subsection shall prescribe
 19 that the substance of any transaction shall control
 20 over the form of the transaction.

21 (b) ADVISORY OPINIONS.—

22 (1) IN GENERAL.—The Secretary of the Treas-
 23 ury, or the Secretary’s delegate, in consultation with
 24 the Federal Election Commission, shall issue advi-

sory opinions on requests relating to the matters described under subsection (a)(1).

(2) USER FEES.—The Secretary of the Treasury is authorized to impose user fees to cover the costs of any advisory opinions requested under paragraph (1), and the Secretary is authorized to transfer to the Federal Election Commission, and the Commission is authorized to accept, the portion of such fees which is determined to be related to costs incurred by the Commission in connection with an advisory opinion.

(3) SENSE OF CONGRESS.—It is the sense of Congress that advisory opinions under this section shall be furnished within 30 days of the request unless public interest requires otherwise.

**SEC. 302. DENIAL OF BUSINESS EXPENSE DEDUCTIONS FOR
CERTAIN BUSINESSES FAILING TO REPORT
DONATIONS AND INDEPENDENT FEDERAL
ELECTION-RELATED ACTIVITY EXPENDI-
TURES.**

(a) DENIAL OF DEDUCTION FOR ELECTION-RELATED ACTIVITY EXPENDITURES.—

(1) IN GENERAL.—Paragraph (1) of section 162(e) of the Internal Revenue Code of 1986 is amended to read as follows:

1 “(1) IN GENERAL.—No deduction shall be al-
2 lowed under subsection (a) for—

3 “(A) any independent Federal election-re-
4 lated activity expenditure (as defined in section
5 7701(a)(51)), or

6 “(B) any amount paid or incurred in con-
7 nection with—

8 “(i) influencing legislation,

9 “(ii) participation in, or intervention
10 in, any political campaign on behalf of (or
11 in opposition to) any candidate for public
12 office,

13 “(iii) any attempt to influence the
14 general public, or segments thereof, with
15 respect to elections, legislative matters, or
16 referendums, or

17 “(iv) any direct communication with a
18 covered executive branch official in an at-
19 tempt to influence the official actions or
20 positions of such official.”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Section 162(e)(2)(A) of such Code is
23 amended by striking “paragraph (1)(A)” and
24 inserting “paragraph (1)(B)(i)”.

1 (B) Section 162(e)(5)(B) of such Code is
 2 amended by striking “paragraph (1)(A) and
 3 (D)” each place it appears and inserting “para-
 4 graph (1)(B)(i) and (iv)”.

5 (C) Section 6033(e)(1)(B)(ii) of such Code
 6 is amended by striking “subparagraphs (A) and
 7 (D) of section 162(e)(1)” and inserting
 8 “clauses (i) and (iv) of section 162(e)(1)(B)”.

9 (b) EXCEPTION TO ALLOWANCE OF DEDUCTION FOR
 10 AMOUNTS EXPENDED ON BEHALF OF ANOTHER PER-
 11 SON.—Subparagraph (A) of section 162(e)(5) of the Inter-
 12 nal Revenue Code of 1986 is amended—

13 (1) by striking “In the case of” and inserting
 14 the following:

15 “(i) IN GENERAL.—Except as pro-
 16 vided in clause (ii), in the case of”, and

17 (2) by adding at the end the following new
 18 clauses:

19 “(ii) EXCEPTION NOT TO APPLY WITH
 20 RESPECT TO CERTAIN ORGANIZATIONS
 21 FAILING TO FILE REPORTS.—Clause (i)
 22 shall not apply to any activity described in
 23 paragraph (1) which is a independent Fed-
 24 eral election-related activity expenditure
 25 (as defined in section 7701(a)(51)) unless

1 the taxpayer has complied with the re-
 2 quirements of sections 303, 304, 353 and
 3 354 of the Federal Election Campaign Act
 4 of 1971.”.

5 (c) PENALTY FOR IMPROPERLY CLAIMING DEDUC-
 6 TION.—

7 (1) IN GENERAL.—Section 6662(b) of the In-
 8 ternal Revenue Code of 1986 is amended by insert-
 9 ing after paragraph (7) the following new para-
 10 graph:

11 “(8) Any improper independent Federal elec-
 12 tion-related activity expenditure deduction.”.

13 (2) IMPROPER ELECTION-RELATED ACTIVITY
 14 EXPENDITURE DEDUCTION.—Section 6662 of such
 15 Code is amended by adding at the end the following
 16 new subsection:

17 “(k) IMPROPER INDEPENDENT FEDERAL ELECTION-
 18 RELATED ACTIVITY EXPENDITURE DEDUCTION.—For
 19 purposes of this subsection, the term ‘improper inde-
 20 pendent Federal election-related activity expenditure de-
 21 duction’ means, for any taxable year, any portion of an
 22 understatement for such taxable year which is attributable
 23 to any independent Federal election-related activity ex-
 24 penditure (as defined in section 7701(a)(51)) improperly
 25 claimed as a deduction under section 162.”.

1 (d) CERTIFICATION OF COMPLIANCE ON TAX RE-
 2 TURN.—

3 (1) IN GENERAL.—The Secretary of the Treas-
 4 ury, or the Secretary’s delegate, shall revise appro-
 5 priate tax forms to provide that the chief executive
 6 officer (or the equivalent) of any person claiming a
 7 trade or business expense as a deduction under sec-
 8 tion 162 of the Internal Revenue Code of 1986 on
 9 an income tax return provide an answer to the fol-
 10 lowing questions on such return:

11 “(1) Has the taxpayer made a independent
 12 Federal election-related activity expenditure (as de-
 13 fined in section 7701(a)(51) of the Internal Revenue
 14 Code of 1986) during the period covered by the tax
 15 return?

16 “(2) Has the taxpayer claimed a deduction for
 17 any independent Federal election-related activity ex-
 18 penditure (as so defined) on the tax return?”.

19 (2) PENALTY.—Section 7207 of the Internal
 20 Revenue Code of 1986 is amended by adding at the
 21 end the following new sentence: “Any person re-
 22 quired to provide an answer with respect to election-
 23 related activity expenditures pursuant to section
 24 303(d)(1) of the Follow the Money Act of 2013 who
 25 willfully provides a false or fraudulent answer with

1 respect to such expenditures shall be fined not more
 2 than \$1,000,000, or imprisoned not more than 10
 3 years, or both.”.

4 (e) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as provided in para-
 6 graph (2), the amendments made by this section
 7 shall apply to taxable years beginning after Decem-
 8 ber 31, 2014.

9 (2) CERTIFICATION AND PENALTY.—The
 10 amendments made by subsection (d) shall apply to
 11 returns required to be filed after December 31,
 12 2014.

13 **SEC. 303. PROHIBITION ON DISCRIMINATION AGAINST DO-**
 14 **NORS.**

15 Chapter 43 of title 18, United States Code, is amend-
 16 ed by adding at the end the following new section:

17 **“SEC. 1925. PROHIBITION ON DISCRIMINATION AGAINST**
 18 **DONORS IN CONNECTION WITH FEDERAL**
 19 **ELECTIONS.**

20 “Whoever, being an officer or employee of the
 21 United States or of any department or agency there-
 22 of, discriminates against any person on the basis of
 23 any information reported under section 304 or 354
 24 of the Federal Election Campaign Act of 1971 shall
 25 be fined under this title 18, or imprisoned not more

1 than one year, or both; and shall be removed from
2 office or employment.”.

3 **SEC. 304. SEVERABILITY.**

4 If any provision of this Act or any amendment made
5 by this Act, or the application of a provision to any person
6 or circumstance, is held to be unconstitutional, the re-
7 mainder of this Act and the amendments made by this
8 Act, and the application of the provisions to any person
9 or circumstance, shall not be affected by the holding.

○