

114TH CONGRESS
2D SESSION

S. 3057

To amend the Internal Revenue Code of 1986 to prohibit the Secretary of the Treasury from requiring that the identity of contributors to 501(c) organizations be included in annual returns.

IN THE SENATE OF THE UNITED STATES

JUNE 14, 2016

Mr. SCOTT 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 prohibit the Secretary of the Treasury from requiring that the identity of contributors to 501(c) organizations be included in annual returns.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Preventing IRS Abuse
5 and Protecting Free Speech Act”.

1 **SEC. 2. PROHIBITION ON REQUIRING THAT IDENTITY OF**
2 **CONTRIBUTORS TO 501(c) ORGANIZATIONS BE**
3 **INCLUDED IN ANNUAL RETURNS.**

4 (a) IN GENERAL.—Section 6033 of the Internal Rev-
5 enue Code of 1986 is amended by redesignating subsection
6 (n) as subsection (o) and by inserting after subsection (m)
7 the following:

8 “(n) IDENTIFYING INFORMATION OF DONORS.—

9 “(1) IN GENERAL.—For purposes of subsection
10 (a), the Secretary may not require the name, ad-
11 dress, or other identifying information of any con-
12 tributor to any organization described in section
13 501(c) of any amount of any contribution, grant, be-
14 quest, devise, or gift of money or property.

15 “(2) EXCEPTIONS.—

16 “(A) IN GENERAL.—Paragraph (1) shall
17 not apply—

18 “(i) to any disclosure required by sub-
19 section (a)(2), and

20 “(ii) with respect to any contribution,
21 grant, bequest, devise, or gift of money or
22 property made by an officer or director of
23 the organization (or an individual having
24 powers or responsibilities similar to those
25 of officers or directors) or any covered em-
26 ployee.

1 “(B) COVERED EMPLOYEE.—For purposes
2 of this paragraph, the term ‘covered employee’
3 means any employee (including any former em-
4 ployee) of the organization if the employee is
5 one of the 5 highest compensated employees of
6 the organization for the taxable year.

7 “(C) COMPENSATION FROM RELATED OR-
8 GANIZATIONS.—

9 “(i) IN GENERAL.—Compensation of a
10 covered employee by the organization shall
11 include any compensation paid with respect
12 to employment of such employee by any re-
13 lated person or governmental entity.

14 “(ii) RELATED ORGANIZATIONS.—A
15 person or governmental entity shall be
16 treated as related to the organization if
17 such person or governmental entity—

18 “(I) controls, or is controlled by,
19 the organization,

20 “(II) is controlled by one or more
21 persons that control the organization,

22 “(III) is a supported organization
23 (as defined in section 509(f)(3)) dur-
24 ing the taxable year with respect to
25 the organization,

1 “(IV) is a supporting organiza-
2 tion described in section 509(a)(3)
3 during the taxable year with respect
4 to the organization, or

5 “(V) in the case of an organiza-
6 tion that is a voluntary employees’
7 beneficiary association described in
8 section 501(c)(9), establishes, main-
9 tains, or makes contributions to such
10 voluntary employees’ beneficiary asso-
11 ciation.”.

12 (b) CONFORMING AMENDMENT.—Section 6033(b)(5)
13 of such Code is amended—

14 (1) by striking “all”, and

15 (2) by adding at the end the following: “to the
16 extent not prohibited by subsection (n),”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to returns required to be filed for
19 taxable years ending after the date of the enactment of
20 this Act.

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