

115TH CONGRESS
1ST SESSION

H. R. 2058

To amend the Internal Revenue Code of 1986 to provide for disclosure for charity employees and board members previously implicated in terror finance.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2017

Mr. POE of Texas (for himself, Mr. WEBER of Texas, Mr. COOK, and Mr. PERRY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for disclosure for charity employees and board members previously implicated in terror finance.

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 “Charity Transparency
5 Act of 2017”.

1 **SEC. 2. DISCLOSURE FOR CHARITY EMPLOYEES AND**
2 **BOARD MEMBERS PREVIOUSLY IMPLICATED**
3 **IN TERROR FINANCE.**

4 (a) APPLICATION FOR EXEMPTION.—Section 501 of
5 the Internal Revenue Code of 1986 is amended by adding
6 at the end the following:

7 “(s) DISCLOSURE FOR CHARITY EMPLOYEES AND
8 BOARD MEMBERS PREVIOUSLY IMPLICATED IN TERROR
9 FINANCE.—

10 “(1) IN GENERAL.—An application of an orga-
11 nization for exemption from tax under subsection (a)
12 shall not be treated as complete unless the applica-
13 tion contains—

14 “(A) the disclosures required by paragraph
15 (2), or

16 “(B) a statement that no officer, director,
17 trustee, or highly compensated employee of the
18 organization (or an individual having powers or
19 responsibilities similar to those of officers, di-
20 rectors, trustees, or highly compensated employ-
21 ees of the organization) is described in subpara-
22 graph (A), (B), or (C) of paragraph (2).

23 “(2) REQUIRED DISCLOSURES.—The disclo-
24 sures required by this paragraph are the names and
25 addresses of any officer, director, trustee, or highly

1 compensated employee of the organization who, at
2 any time before the date of the application—

3 “(A) was a member or employee of an or-
4 ganization described in paragraph (3),

5 “(B) was an unindicted coconspirator with
6 respect to a terror finance scheme of an organi-
7 zation described in paragraph (3), or

8 “(C) was an employee of any charity found
9 liable under section 2333 of title 18, United
10 States Code.

11 “(3) ORGANIZATION DESCRIBED.—An organiza-
12 tion is described in this paragraph if—

13 “(A) the organization is named on the
14 Designated Charities and Potential Fundraising
15 Front Organizations for FTOs list, published
16 by the Department of the Treasury, or

17 “(B) the organization’s property is blocked
18 pending investigation by the Office of Foreign
19 Assets Control, Department of the Treasury.”.

20 (b) ANNUAL REPORTING.—Section 6033 of such
21 Code is amended by redesignating subsection (n) as sub-
22 section (o) and by inserting after subsection (m) the fol-
23 lowing:

1 “(n) DISCLOSURE FOR CHARITY EMPLOYEES AND
2 BOARD MEMBERS PREVIOUSLY IMPLICATED IN TERROR
3 FINANCE.—

4 “(1) IN GENERAL.—The annual return required
5 of an organization by subsection (a) shall not be
6 treated as complete unless the return contains—

7 “(A) the disclosures required by paragraph
8 (2), or

9 “(B) a statement that no officer, director,
10 trustee, or highly compensated employee of the
11 organization (or an individual having powers or
12 responsibilities similar to those of officers, di-
13 rectors, trustees, or highly compensated employ-
14 ees of the organization) is described in subpara-
15 graph (A), (B), or (C) of paragraph (2).

16 “(2) REQUIRED DISCLOSURES.—The disclo-
17 sures required by this paragraph are the names and
18 addresses of any officer, director, trustee, or highly
19 compensated employee of the organization who, at
20 any time before the date of the application—

21 “(A) was a member or employee of an or-
22 ganization described in paragraph (3),

23 “(B) was an unindicted coconspirator with
24 respect to a terror finance scheme of an organi-
25 zation described in paragraph (3), or

1 “(C) was an employee of any charity found
2 liable under section 2333 of title 18, United
3 States Code.

4 “(3) ORGANIZATION DESCRIBED.—An organiza-
5 tion is described in this paragraph if—

6 “(A) the organization is described in sec-
7 tion 501(c) and exempt from tax under section
8 501(a),

9 “(B) the organization is named on the
10 Designated Charities and Potential Fundraising
11 Front Organizations for FTOs list, published
12 by the Department of the Treasury, or

13 “(C) the organization’s property is blocked
14 pending investigation by the Office of Foreign
15 Assets Control, Department of the Treasury.”.

16 (c) EFFECTIVE DATE.—

17 (1) The amendment made by subsection (a)
18 shall apply to applications filed after the date of the
19 enactment of this Act.

20 (2) The amendment made by subsection (b)
21 shall apply to returns filed for taxable years begin-
22 ning after the date of the enactment of this Act.

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