

(2) Section 1 of House Resolution 10, Ninety-fourth Congress, agreed to on January 14, 1975, and enacted into permanent law by section 201 of the Legislative Branch Appropriations Act, 1976 (2 U.S.C. 43b-2).

SEC. 3. As used in this resolution, the term "organizational caucus or conference" means a party caucus or conference authorized to be called under section 202(a) of House Resolution 988, Ninety-third Congress, agreed to on October 8, 1974, and enacted into permanent law by chapter III of title I of the Supplemental Appropriations Act, 1975 (2 U.S.C. 29a(a)).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELIMINATING NOTIFICATION AND RETURN REQUIREMENTS FOR STATE AND LOCAL PARTY COMMITTEES AND CANDIDATE COMMITTEES

Mr. BRADY of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill (H.R. 5596) to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local party committees and candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. DOGGETT. Mr. Speaker, reserving the right to object, I do find most objectionable a procedure that brings up important legislation after many Members have departed.

It is particularly ironic that this bill which has not been before any committee of the House or voted upon by any Member of the House up until tonight and which deals with open government should be brought up in this manner. A genuine commitment to openness and public participation requires applying these concepts to more than just the bills that one may not like or be opposed to. The need for a more complete discussion of this particular bill is all the more apparent because of the extended history surrounding it.

This bill seeks to correct a problem that was produced by a process not unlike that we are having tonight. In other words, the error that this bill seeks to address is the result of a hurried-up process that did not involve full participation by all in this House. This measure concerns the first substantive reform of our campaign laws that occurred during the period from 1979 all the way up until the year 2000. And in

the spring of 2000 it became apparent that the use of stealth PACS, that is, a form of political action committee in which the donors and the expenditures would not be known, so-called 527 committees, might become a significant factor in the political activity of that year.

Accordingly, I have introduced legislation in the spring of 2000 to put a stop to this, and sought unsuccessfully on at least two occasions in the Committee on Ways and Means and here on the floor of the House to correct this problem but was blocked on the floor at least by fairly narrow efforts in getting those reforms adopted.

Finally, after months of delay, the House Republican leadership reversed course and brought up a 527 bill for consideration in this House, but it did so late at night, even later than tonight here in Washington, with the bill text presented essentially as the floor consideration got under way. No amendments were permitted and the debate was truncated.

Because this process occurred in this way and because the bill was presented rapidly, it was also presented sloppily. And as a result of the sloppy way in which it was presented, some problems were created. During the full Committee on Ways and Means consideration of this issue, the gentleman from Pennsylvania (Mr. COYNE) and I had offered a comprehensive alternative. That was an alternative that recognized that State and local elected officials were already filing some of these reports and that they ought not to have to pay the price for the need to reform at the Federal level by having to make duplicative filings. None of that language that the gentleman from Pennsylvania (Mr. COYNE) and I proposed was included in the bill that was rushed through the House late one evening in an effort to prevent broader 527 reform.

The bill was quickly signed into law and by September of the year 2000 it became apparent that there was a problem for State and local officials. More and more of them recognized they were now going to have burdensome and in some cases conflicting reporting requirements at the Federal level, in addition to the reports that they were already filing at the State or local level.

Accordingly, I introduced legislation in September of the year 2000 to correct the problem that I had not created. I recognized then that while this was not a bipartisan problem, it did deserve a bipartisan solution. Unfortunately, the same people who created the problem refused to correct it in the year 2000.

In the new Congress of 2001 I refiled legislation to address this problem and indeed even tried to move it on the Corrections Calendar of this House; but, again, the same crowds expressed their objection to doing so and to correcting a problem for which our State and local officials have had to file duplicative reports during all this time.

Finally, in April of this year, almost 2 years after this problem had been created, one got an indication of why it had never been corrected when H.R. 3391 was offered. That was the Taxpayer Protection and IRS Accountability Act to which at the last minute provisions dealing with 527s were added in the Committee on Ways and Means. I referred then in committee and on the floor to that as a loophole exploitation act because it attempted to undermine the bipartisan campaign finance law called the Shays-Meehan Act even before that law could take effect.

In the committee, I offered as an alternative language that Senator HUTCHINSON from Texas and Senator LIEBERMAN had proposed in the Senate, offered it verbatim to deal with this issue of duplicative reporting without opening new loopholes. That was also rejected in the committee on the same basis that earlier legislation had been rejected on a party line vote.

Fortunately, this House on a bipartisan basis rejected H.R. 3391, what I would refer to as the loophole exploitation act. And it is only that action of the House in rejecting that measure that presents us this opportunity tonight. Because as I read it, H.R. 5596 basically takes the language that I offered in the Committee on Ways and Means earlier in the year, language that sought to offer a bipartisan approach to this and builds on it in a couple of ways.

It first adds a provision that the public should be made fully aware of that will exempt Members of this House, Members of the House and Senate, Federal, State and local candidate committees and national party committees from filing what is known as the 990 information form. That is information that we would not been required to file in the past. It is information that is really designed for charities, nonprofits, to file. And it is most cumbersome and awkward, as all Members have found when they prepared their 990 forms this year, to apply it to Members of Congress because the IRS has not changed the form to reflect the fact that we are in a different situation and there are different needs for information and the filing of forms for individuals in a political situation than occurs for nonprofits around the country. So many of the questions are inapplicable.

It has been a problem for many to complete that form. I suppose that changing this provision is not a great loss, but it is clear that less information will be available than exists under the current law there. And in return for that change made, there are some other changes that I think are positive. These are modest changes, but they are changes that will make more accessible the access to information on Web sites. So that the information as I proposed back in the year 2000 for electronic filing would occur but there would be a searchable Web site.

And it is because these provisions seem to have merit and because I have

been advised by my colleague from Texas (Mr. BRADY) who I know has worked diligently to try to bring people together behind this proposal, that I am advised by him that the Senate is ready if we act on this measure tonight in this unusual way to approve it immediately without any language changes before the recess, and that this process will assure that the measure gets signed into law immediately and will accelerate the pace at which this modest improvement in public access to the 527 data begins to occur, that I agree, and only because of that, to this very extraordinary process.

Mr. Speaker, I yield to my colleague from Texas (Mr. BRADY) who I am sure has some words he wants to say about this process.

Mr. BRADY of Texas. Mr. Speaker, I thank my colleague from Texas for yielding.

Mr. Speaker, the legislation before us is a necessary and timely piece of legislation introduced with the leadership from my colleague from Texas (Mr. DOGGETT), my other colleagues, the gentleman from Louisiana (Mr. VITTER), the gentleman from North Dakota (Mr. POMEROY), the gentleman from Connecticut (Mr. SHAYS), and the gentleman from Massachusetts (Mr. MEEHAN) to correct some of the duplicate reporting requirements that many State and local candidate committees and State and local political action committees face under the current section 527 disclosure requirements.

In short, as my colleague has stated, this legislation eliminates most of the duplicative reporting burdens that State and local candidate committees now face. That allows us to focus on the true intent of the legislation, those stealth Federal PACS, and for those organizations that monitor campaign activity, the bill requires the Internal Revenue Service to help upgrade their Web site to improve the searchability of the public data provided to the IRS.

This legislation was negotiated on a bipartisan, bicameral basis. It has support from groups such as Common Cause and Public Citizen, Campaign Finance Institute, the National Council of State Legislatures, the American Society of Association Executives, as well as our Senate leaders, the Senator from Connecticut, Mr. LIEBERMAN, the Senator from Texas, Mrs. HUTCHISON. It addresses most of the concerns the parties have.

Is it a perfect bill? No. There are areas I personally would like to see changed but I think it is an excellent compromise. It is a solid, solid improvement over the current law for everyone, and I think the broad range of support demonstrates it is a fair bill.

Mr. Speaker, I rise to thank my colleague from Texas (Mr. DOGGETT) for his passion and dedication and leadership on campaign finance issues.

Mr. Speaker, I rise today in support of H.R. 5596. I introduced this legislation with my colleagues LLOYD DOGGETT, DAVID VITTER, EARL POMEROY, CHRIS SHAYS, and MARTY MEEHAN

to correct some of the duplicate reporting requirements that many state/local candidate committees and state/local PACs face under the current Section 527 disclosure requirements.

This legislation was negotiated on a bipartisan, bicameral basis and I believe is a good compromise at addressing most of the concerns had by all the parties interested in this issue. Is it a perfect bill, no. But, it will improve the current law for everyone and I think the broad range of support demonstrates it is a fair bill and a win-win for everyone.

In short, this legislation the bill eliminates most of the duplicative reporting burdens state and local campaign committees now face. And for those organizations that monitor campaign activity, the bill requires the IRS to upgrade their website to improve the searchability of the public data provided to the IRS.

Under current law, within 24 hours of establishment, virtually all 527s must file a short form (Form 8871) notifying the IRS of their existence and providing information about who they are, the top people who work for them, where the organization is located and how it can be contacted.

This bill removes state/local candidates and state/local party committees from filing this form. Federal candidates and committees already reported to FEC never had file Form 8871. So now, the only filers of Form 8871 will be state/local PACs and non-FEC filing groups active in federal elections. The bill will now also require these groups to update form if they move or if some material change occurs, etc.

Additionally, 527 organizations must file reports (Form 8872) identifying contributors who give them more than \$200 and expenditures of over \$500. H.R. 5596 exempts "qualified" state/local groups that engage in only state or local activity and that are subject to a state reporting regime. It also places restrictions on federal candidates or office holders from materially participating in a 527 group that receives an exemption.

Regarding Form 8872, the bill requires a 527 group to add the date and purpose of expenditures and the date of contributions as required information on the Form 8872. And, 527 groups with contributions over \$50,000 will be required to file electronically.

The 2000 law added Section 527 organizations to the list of tax-exempt organizations that have to file annual, public information returns to the IRS—so-called 990 forms. 990s contain aggregate information about the filing organization's income and expenditures, among other things. The law also directed most 527s to file Form 1120 tax returns, even if they did not have taxable income. The bill removes the filing requirement for organizations with gross receipts of \$25,000 or more.

With respect to Form 990, H.R. 5596 exempts all PACS that report to FEC from filing Form 990. It exempts all state/local candidate and party committees, as well as qualified state/local PACS, except those with over \$100,000 in annual receipts from filing Form 990.

But to make all this information more user friendly, the bill requires the Internal Revenue Service to upgrade their website to improve the searchability of data.

H.R. 5596—LEGISLATION TO REFORM SECTION 527 POLITICAL ORGANIZATION DISCLOSURE

Purpose: To amend section 527 of the Internal Revenue Code of 1986 to eliminate noti-

cation and return requirements for State and local party committees and candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law, and for other purposes, the bill makes the following changes to current law:

INITIAL REGISTRATION (FORM 8871)

The bill removes state/local candidates and state/local party committees from filing. Federal candidates and committees already reported to FEC never had file Form 8871.

The only filers will be state/local PACs and non-FEC filing groups active in federal elections. The bill will now require these groups to update form if they move or if some material change occurs, etc.

PERIODIC REPORTING (FORM 8872)

The bill exempts "qualified" state/local groups that engage in only state or local activity and that are subject to a state reporting regime. The bill places restrictions on federal candidates or office holders from materially participating in a 527 group that receives an exemption.

The bill requires a 527 group to add the date and purpose of expenditures and the date of contributions as required information on the Form 8872.

The bill requires 527 groups with contributions over \$25,000 to file Form 8872. Those with contributions over \$50,000 are required to file electronically.

ANNUAL INCOME TAX FILING (FORM 1120-POL)

The bill removes the filing requirement for organizations with gross receipts of \$25,000 or more.

INFORMATION REPORTING (FORM 990)

The bill exempts all PACs that report to FEC from filing Form 990

The bill exempts all state/local candidate and party committees from filing Form 990

The bill exempts qualified state/local PACs, except those with over \$100,000 in annual receipts from filing Form 990.

The bill requires the IRS to modify Form 990 to make it more useful.

OTHER NEW PROVISIONS

The bill requires the Internal Revenue Service to upgrade their website to improve the searchability of data.

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Mr. DOGGETT. Mr. Speaker, hoping that the gentleman from Texas is correct about all aspects of the bill and appreciative of his comments, I remove my reservation.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION FOR CERTAIN STATE AND LOCAL POLITICAL COMMITTEES FROM NOTIFICATION REQUIREMENTS.

(a) EXEMPTION FROM NOTIFICATION REQUIREMENTS.—Paragraph (5) of section 527(i) of the Internal Revenue Code of 1986 (relating to organizations must notify Secretary that they are section 527 organizations) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by adding at the end the following:

"(C) which is a political committee of a State or local candidate or which is a State or local committee of a political party."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the amendments made by Public Law 106-230.

SEC. 2. EXEMPTION FOR CERTAIN STATE AND LOCAL POLITICAL COMMITTEES FROM REPORTING REQUIREMENTS.

(a) IN GENERAL.—Section 527(j)(5) of the Internal Revenue Code of 1986 (relating to coordination with other requirements) is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B) the following new subparagraph:

“(C) to any organization which is a qualified State or local political organization.”.

(b) QUALIFIED STATE OR LOCAL POLITICAL ORGANIZATION.—Subsection (e) of section 527 of the Internal Revenue Code of 1986 (relating to other definitions) is amended by adding at the end the following new paragraph:

“(5) QUALIFIED STATE OR LOCAL POLITICAL ORGANIZATION.—

“(A) IN GENERAL.—The term ‘qualified State or local political organization’ means a political organization—

“(i) all the exempt functions of which are solely for the purposes of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization,

“(ii) which is subject to State law that requires the organization to report (and it so reports)—

“(I) information regarding each separate expenditure from and contribution to such organization, and

“(II) information regarding the person who makes such contribution or receives such expenditure,

which would otherwise be required to be reported under this section, and

“(iii) with respect to which the reports referred to in clause (ii) are (I) made public by the agency with which such reports are filed, and (II) made publicly available for inspection by the organization in the manner described in section 6104(d).

“(B) CERTAIN STATE LAW DIFFERENCES DISREGARDED.—An organization shall not be treated as failing to meet the requirements of subparagraph (A)(ii) solely by reason of 1 or more of the following:

“(i) The minimum amount of any expenditure or contribution required to be reported under State law is not more than \$300 greater than the minimum amount required to be reported under subsection (j).

“(ii) The State law does not require the organization to identify 1 or more of the following:

“(I) The employer of any person who makes contributions to the organization.

“(II) The occupation of any person who makes contributions to the organization.

“(III) The employer of any person who receives expenditures from the organization.

“(IV) The occupation of any person who receives expenditures from the organization.

“(V) The purpose of any expenditure of the organization.

“(VI) The date any contribution was made to the organization.

“(VII) The date of any expenditure of the organization.

“(C) DE MINIMIS ERRORS.—An organization shall not fail to be treated as a qualified State or local political organization solely because such organization makes de minimis errors in complying with the State reporting requirements and the public inspection requirements described in subparagraph (A) as long as the organization corrects such errors within a reasonable period after the organization becomes aware of such errors.

“(D) PARTICIPATION OF FEDERAL CANDIDATE OR OFFICE HOLDER.—The term ‘qualified State or local political organization’ shall not include any organization otherwise described in subparagraph (A) if a candidate for nomination or election to Federal elective public office or an individual who holds such office—

“(i) controls or materially participates in the direction of the organization,

“(ii) solicits contributions to the organization (unless the Secretary determines that such solicitations resulted in de minimis contributions and were made without the prior knowledge and consent, whether explicit or implicit, of the organization or its officers, directors, agents, or employees), or

“(iii) directs, in whole or in part, disbursements by the organization.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by Public Law 106-230.

SEC. 3. EXEMPTION FROM ANNUAL RETURN REQUIREMENTS.

(a) INCOME TAX RETURNS REQUIRED ONLY FOR POLITICAL ORGANIZATION TAXABLE INCOME.—Paragraph (6) of section 6012(a) of the Internal Revenue Code of 1986 (relating to persons required to make returns of income) is amended by striking “or which has” and all that follows through “section”).

(b) INCOME TAX RETURNS NOT SUBJECT TO DISCLOSURE.—

(1) DISCLOSURE BY THE SECRETARY.—Subsection (b) of section 6104 of such Code (relating to disclosure by the Secretary of annual information returns) is amended by striking “6012(a)(6).”.

(2) PUBLIC INSPECTION.—Subsection (d) of section 6104 of such Code (relating to public inspection of certain annual returns) is amended—

(A) in paragraph (1)(A)(i) by striking “or section 6012(a)(6) (relating to returns by political organizations)”, and

(B) in subparagraph (2) by striking “or section 6012(a)(6)”.

(c) INFORMATION RETURNS.—Subsection (g) of section 6033 of such Code (relating to returns required by political organizations) is amended to read as follows:

“(g) RETURNS REQUIRED BY POLITICAL ORGANIZATIONS.—

“(1) IN GENERAL.—This section shall apply to a political organization (as defined by section 527(e)(1)) which has gross receipts of \$25,000 or more for the taxable year. In the case of a political organization which is a qualified State or local political organization (as defined in section 527(e)(5)), the preceding sentence shall be applied by substituting ‘\$100,000’ for ‘\$25,000’.

“(2) ANNUAL RETURNS.—Political organizations described in paragraph (1) shall file an annual return—

“(A) containing the information required, and complying with the other requirements, under subsection (a)(1) for organizations exempt from taxation under section 501(a), with such modifications as the Secretary considers appropriate to require only information which is necessary for the purposes of carrying out section 527, and

“(B) containing such other information as the Secretary deems necessary to carry out the provisions of this subsection.

“(3) MANDATORY EXCEPTIONS FROM FILING.—Paragraph (2) shall not apply to an organization—

“(A) which is a State or local committee of a political party, or political committee of a State or local candidate,

“(B) which is a caucus or association of State or local officials,

“(C) which is an authorized committee (as defined in section 301(6) of the Federal Elec-

tion Campaign Act of 1971) of a candidate for Federal office,

“(D) which is a national committee (as defined in section 301(14) of the Federal Election Campaign Act of 1971) of a political party,

“(E) which is a United States House of Representatives or United States Senate campaign committee of a political party committee,

“(F) which is required to report under the Federal Election Campaign Act of 1971 as a political committee (as defined in section 301(4) of such Act), or

“(G) to which section 527 applies for the taxable year solely by reason of subsection (f)(1) of such section.

“(4) DISCRETIONARY EXCEPTION.—The Secretary may relieve any organization required under paragraph (2) to file an information return from filing such a return if the Secretary determines that such filing is not necessary to the efficient administration of the internal revenue laws.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by Public Law 106-230.

SEC. 4. NOTIFICATION OF INTERACTION OF REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Federal Election Commission, shall publicize—

(1) the effect of the amendments made by this Act, and

(2) the interaction of requirements to file a notification or report under section 527 of the Internal Revenue Code of 1986 and reports under the Federal Election Campaign Act of 1971.

(b) INFORMATION.—Information provided under subsection (a) shall be included in any appropriate form, instruction, notice, or other guidance issued to the public by the Secretary of the Treasury or the Federal Election Commission regarding reporting requirements of political organizations (as defined in section 527 of the Internal Revenue Code of 1986) or reporting requirements under the Federal Election Campaign Act of 1971.

SEC. 5. WAIVER OF FILING AMOUNTS.

(a) WAIVER OF FILING AMOUNTS.—Section 527 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(k) AUTHORITY TO WAIVE.—The Secretary may waive all or any portion of the—

“(1) tax assessed on an organization by reason of the failure of the organization to comply with the requirements of subsection (i), or

“(2) amount imposed under subsection (j) for a failure to comply with the requirements thereof,

on a showing that such failure was due to reasonable cause and not due to willful neglect.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any tax assessed or amount imposed after June 30, 2000.

SEC. 6. MODIFICATIONS TO SECTION 527 ORGANIZATION DISCLOSURE PROVISIONS.

(a) UNSEGREGATED FUNDS NOT TO AVOID TAX.—Paragraph (4) of section 527(i) of the Internal Revenue Code of 1986 (relating to failure to notify) is amended by adding at the end the following new sentence: “For purposes of the preceding sentence, the term ‘exempt function income’ means any amount described in a subparagraph of subsection (c)(3), whether or not segregated for use for an exempt function.”.

(b) PROCEDURES FOR ASSESSMENT AND COLLECTION OF AMOUNTS.—Paragraph (1) of section 527(j) of the Internal Revenue Code of 1986 (relating to required disclosure of expenditures and contributions) is amended by

adding at the end the following new sentence: "For purposes of subtitle F, the amount imposed by this paragraph shall be assessed and collected in the same manner as penalties imposed by section 6652(c)."

(c) **DUPLICATE WRITTEN FILINGS NOT REQUIRED.**—Subparagraph (A) of section 527(i)(1) of the Internal Revenue Code of 1986 is amended by striking "electronically and in writing," and inserting "electronically".

(d) **APPLICATION OF FRAUD PENALTY.**—Section 7207 of the Internal Revenue Code of 1986 (relating to fraudulent returns, statements, and other documents) is amended by striking "pursuant to subsection (b) of section 6047 or pursuant to subsection (d) of section 6104" and inserting "pursuant to section 6047(b), section 6104(d), or subsection (i) or (j) of section 527".

(e) **CONTENTS AND FILING OF REPORT.**—

(1) **CONTENTS.**—Section 527(j)(3) of the Internal Revenue Code of 1986 (relating to contents of report) is amended—

(A) by inserting "date, and purpose" after "The amount" in subparagraph (A), and

(B) by inserting "and date" after "the amount" in subparagraph (B).

(2) **ELECTRONIC FILING.**—Section 527(j) of such Code is amended by adding at the end the following new paragraph:

"(7) **ELECTRONIC FILING.**—Any report required under paragraph (2) with respect to any calendar year shall be filed in electronic form if the organization has, or has reason to expect to have, contributions exceeding \$50,000 or expenditures exceeding \$50,000 in such calendar year."

(3) **ELECTRONIC FILING AND ACCESS OF REQUIRED DISCLOSURES.**—Section 527 of such Code, as amended by section 5(a), is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) **PUBLIC AVAILABILITY OF NOTICES AND REPORTS.**—

"(1) **IN GENERAL.**—The Secretary shall make any notice described in subsection (i)(1) or report described in subsection (j)(7) available for public inspection on the Internet not later than 48 hours after such notice or report has been filed (in addition to such public availability as may be made under section 6104(d)(7)).

"(2) **ACCESS.**—The Secretary shall make the entire database of notices and reports which are made available to the public under paragraph (1) searchable by the following items (to the extent the items are required to be included in the notices and reports):

"(A) Names, States, zip codes, custodians of records, directors, and general purposes of the organizations.

"(B) Entities related to the organizations.

"(C) Contributors to the organizations.

"(D) Employers of such contributors.

"(E) Recipients of expenditures by the organizations.

"(F) Ranges of contributions and expenditures.

"(G) Time periods of the notices and reports.

Such database shall be downloadable."

(f) **CONTENTS OF NOTICE.**—Section 527(i)(3) of the Internal Revenue Code of 1986 (relating to contents of notice) is amended by striking "and" at the end of subparagraph (D), by redesignating subparagraph (E) as subparagraph (F), and by inserting after subparagraph (D) the following new subparagraph:

"(E) whether the organization intends to claim an exemption from the requirements of subsection (j) or section 6033, and"

(g) **TIMING OF NOTICE IN CASE OF MATERIAL CHANGE.**—

(1) **IN GENERAL.**—Subparagraph (B) of section 527(i)(1) of the Internal Revenue Code of

1986 (relating to general notification requirement) is amended by inserting "or, in the case of any material change in the information required under paragraph (3), for the period beginning on the date on which the material change occurs and ending on the date on which such notice is given" after "given".

(2) **TIME TO GIVE NOTICE.**—Section 527(i)(2) of the Internal Revenue Code of 1986 (relating to time to give notice) is amended by inserting "or, in the case of any material change in the information required under paragraph (3), not later than 30 days after such material change" after "established".

(3) **EFFECT OF FAILURE.**—Paragraph (4) of section 527(i) of the Internal Revenue Code of 1986 (relating to effect of failure) is amended by inserting before the period at the end the following: "or, in the case of a failure relating to a material change, by taking into account such income and deductions only during the period beginning on the date on which the material change occurs and ending on the date on which notice is given under this subsection".

(h) **EFFECTIVE DATES.**—

(1) **SUBSECTIONS (a) AND (b).**—The amendments made by subsections (a) and (b) shall apply to failures occurring on or after the date of the enactment of this Act.

(2) **SUBSECTION (c).**—The amendments made by subsection (c) shall take effect as if included in the amendments made by Public Law 106-230.

(3) **SUBSECTION (d).**—The amendment made by subsection (d) shall apply to reports and notices required to be filed on or after the date of the enactment of this Act.

(4) **SUBSECTIONS (e)(1) AND (f).**—The amendments made by subsections (e)(1) and (f) shall apply to reports and notices required to be filed more than 30 days after the date of the enactment of this Act.

(5) **SUBSECTIONS (e)(2) AND (e)(3).**—The amendments made by subsections (e)(2) and (e)(3) shall apply to reports required to be filed on or after June 30, 2003.

(6) **SUBSECTION (g).**—

(A) **IN GENERAL.**—The amendments made by subsection (g) shall apply to material changes on or after the date of the enactment of this Act.

(B) **TRANSITION RULE.**—In the case of a material change occurring during the 30-day period beginning on the date of the enactment of this Act, a notice under section 527(i) of the Internal Revenue Code of 1986 (as amended by this Act) shall not be required to be filed under such section before the later of—

(i) 30 days after the date of such material change, or

(ii) 45 days after the date of the enactment of this Act.

SEC. 7. EFFECT OF AMENDMENTS ON EXISTING DISCLOSURES.

Notices, reports, or returns that were required to be filed with the Secretary of the Treasury before the date of the enactment of the amendments made by this Act and that were disclosed by the Secretary of the Treasury consistent with the law in effect at the time of disclosure shall remain subject on and after such date to the disclosure provisions of section 6104 of the Internal Revenue Code of 1986.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADY of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their re-

marks and include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-273)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act, 50 U.S.C. 1622(d) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to significant narcotics traffickers centered in Colombia is to continue in effect beyond October 21, 2002, to the *Federal Register* for publication. The most recent notice continuing this emergency was published in the *Federal Register* on October 19, 2001 (66 Fed. Reg. 3073).

The circumstances that led to the declaration on October 21, 1995, of a national emergency have not been resolved. The actions of significant narcotics traffickers centered in Colombia continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States and to cause unparalleled violence, corruption, and harm in the United States and abroad. For these reasons, I have determined that it is necessary to maintain economic pressure on significant narcotics traffickers centered in Colombia by blocking their property or interests in property that are in the United States or within the possession or control of United States persons and by depriving them of access to the United States market and financial system.

GEORGE W. BUSH.

THE WHITE HOUSE, October 16, 2002.

PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO SIGNIFICANT NARCOTICS TRAFFICKERS CENTERED IN COLOMBIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-274)

The SPEAKER pro tempore laid before the House the following message