

104TH CONGRESS
2D SESSION

H. R. 3240

To amend the Internal Revenue Code of 1986 to clarify the prohibition against lobbying.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1996

Mr. DORNAN (for himself and Mr. WOLF) 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 clarify the prohibition against lobbying.

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. CLARIFICATION OF LOBBYING PROHIBITION**

4 **APPLICABLE TO CERTAIN CHARITIES.**

5 (a) IN GENERAL.—Subsection (h) of section 501 of
6 the Internal Revenue Code of 1986 (relating to expendi-
7 tures by public charities to influence legislation) is amend-
8 ed by adding at the end the following new paragraph:

9 “(9) CLARIFICATION OF SUBSTANTIALITY
10 TEST.—An organization described in paragraph (5),

1 or an organization described in paragraph (3) which
2 does not make the election described in paragraph
3 (3), shall be denied exemption from taxation under
4 subsection (a) because a substantial part of the ac-
5 tivities of such organization consists of carrying on
6 propaganda, or otherwise attempting, to influence
7 legislation only if more than 5 percent of the total
8 expenditures of the organization for the taxable year
9 are for carrying on propaganda, or otherwise at-
10 tempting, to influence legislation.”

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall apply to taxable years beginning after
13 the date of the enactment of this Act.

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