

107TH CONGRESS
1ST SESSION

H. R. 2931

To amend the Internal Revenue Code of 1986 to clarify the restrictions
on the lobbying and campaign activities of churches.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 2001

Mr. CRANE (for himself, Mr. ARMEY, Mr. DELAY, Mr. BLUNT, Mr. DOOLITTLE, and Mr. NORWOOD) 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 restrictions on the lobbying and campaign activities
of churches.

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 “Bright-Line Act of
5 2001”.

6 **SEC. 2. CLARIFICATION OF RESTRICTION ON LOBBYING**
7 **AND CAMPAIGN ACTIVITIES OF CHURCHES.**

8 (a) IN GENERAL.—Section 501 of the Internal Rev-
9 enue Code of 1986 (relating to exemption from tax on cor-

1 porations, certain trusts, etc.) is amended by redesignig-
2 nating subsection (p) as subsection (q) and by inserting
3 after subsection (o) the following new subsection:

4 “(p) EXPENDITURES BY CHURCHES, ETC., TO IN-
5 FLUENCE LEGISLATION OR PARTICIPATE IN CAMPAIGN
6 ACTIVITIES.—

7 “(1) EXPENDITURES TO INFLUENCE LEGISLA-
8 TION.—An organization to which this subsection ap-
9 plies shall be denied exemption from taxation under
10 subsection (a) because a substantial part of the ac-
11 tivities of such organization consists of carrying on
12 propaganda, or otherwise attempting, to influence
13 legislation, but only if such organization normally
14 makes lobbying expenditures (as defined in section
15 4911(d)) for each taxable year in excess of an
16 amount equal to 20 percent of such organization’s
17 gross revenues for such year.

18 “(2) EXPENDITURES TO PARTICIPATE IN CAM-
19 PAIGNS.—An organization to which this subsection
20 applies shall be denied exemption from taxation
21 under subsection (a) because such organization par-
22 ticipates in, or intervenes in (including the pub-
23 lishing or distributing of statements), any political
24 campaign on behalf of (or in opposition to) any can-
25 didate for public office, but only if such organization

1 normally makes expenditures for such purpose for
2 each taxable year in excess of an amount equal to
3 5 percent of such organization's gross revenues for
4 such year.

5 “(3) AGGREGATE LIMIT.—An organization to
6 which this subsection applies shall be denied exemp-
7 tion from taxation under subsection (a) if the aggre-
8 gate of the expenditures described in paragraph (1)
9 and the expenditures described in paragraph (2)
10 which such organization normally makes for each
11 taxable year exceeds an amount equal to 20 percent
12 of such organization's gross revenues for such year.

13 “(4) GROSS REVENUES.—For purposes of this
14 subsection, the term ‘gross revenues’ means the sum
15 of—

16 “(A) the organization's gross income for
17 the taxable year, and

18 “(B) the aggregate contributions and gifts
19 received by such organization during such year.

20 “(5) ORGANIZATIONS TO WHICH SUBSECTION
21 APPLIES.—This subsection shall apply to any dis-
22 qualified organization (as defined in subsection
23 (h)(5)) which is described in subsection (e)(3).

24 “(6) AFFILIATED ORGANIZATIONS.—If, for any
25 taxable year, 2 or more organizations to which this

1 subsection applies are members of an affiliated
2 group of organizations (as defined in section
3 4911(f)(2))—

4 “(A) paragraphs (1), (2), (3), and (4) shall
5 be applied by treating such group as 1 organi-
6 zation, and

7 “(B) if such group exceeds the expenditure
8 limitation of paragraph (1), (2), or (3), each or-
9 ganization to which this subsection applies
10 which is a member of such group shall be treat-
11 ed as not described in subsection (c)(3).

12 The preceding sentence shall not be applied so as to
13 treat an organization which is not (without regard to
14 the preceding sentence) exempt from tax by reason
15 of paragraph (1), (2), or (3) as being so exempt.”

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

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