



Joint Committee on Taxation  
JCX-63-00  
June 22, 2000

**DESCRIPTION OF AN AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO THE PROVISIONS OF H.R. 4717  
(THE "FULL AND FAIR POLITICAL ACTIVITY  
DISCLOSURE ACT OF 2000")<sup>1</sup>**

On June 22, 2000, the House Committee on Ways and Means has scheduled a markup of the provisions contained in H.R. 4717 (the "Full and Fair Political Activity Disclosure Act of 2000").<sup>2</sup> The amendment in the nature of a substitute would adopt the provisions contained in the bill, with the following modifications:

1. The amendment would clarify that, once a contributor to a section 527 organization or to a section 501(c)(4), section 501(c)(5), or section 501(c)(6) organization exceeds the applicable dollar threshold and becomes a reportable contributor for a year, then the aggregate of all contributions by such contributor are required to be reported.

2. With respect to the definition of disclosable activities, the amendment would clarify that, in the case of a section 527 organization, disclosable activities include all activities of such organization. In addition, in the case of a section 501(c)(4), section 501(c)(5), or section 501(c)(6) organization, the amendment would modify the rule that such an organization is required to report all contributions to another such organization. Under the amendment, a disclosable activity would only include contributing directly or indirectly to a section 501(c)(4), section 501(c)(5), or section 501(c)(6) organization that is required, by reason of its disclosable activities, to file a return for the year for which the contribution is made or for any of the preceding three years (or would have been required to file a return if the bill had been in effect for any of the preceding three years). Thus, if a section 501(c)(4), 501(c)(5), or section 501(c)(6) organization contributes to another such organization and the second organization does not

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Description of an Amendment in the Nature of a Substitute to the Provisions in H.R. 4717 (the "Full and Fair Political Activity Disclosure Act of 2000")* (JCX-63-00), June 22, 2000.

<sup>2</sup> Joint Committee on Taxation, *Description of H.R. \_\_\_\_ (the "Full and Fair Political Activity Disclosure Act 2000")* (JCX-61-00), June 21, 2000.

engage in any disclosable activities that would require reporting under the bill, the contributing organization would not be required to make a report of its contributions to such other organization.

3. The amendment would modify the rule treating mass media communications as disclosable activities in two ways. First, the rule would apply only to mass media communications that mention a clearly identified candidate for Federal office (including any individual who has formed an exploratory committee for such election) or the political party of such a candidate or that contain the picture or other likeness of such a candidate. Thus, the rule would not apply merely because the communication mentions an individual holding public office. Second, the amendment would provide that the exception from disclosure for mass media communications if the communication is to bona fide members of the organization would not apply to a communication that urges the members of the organization to communicate with another person or urges such members to take an action as a result of the communication.

4. The amendment would modify the reporting periods and deadlines for filing to apply the same rules to section 501(c)(4), section 501(c)(5), and section 501(c)(6) organizations that apply under the bill to section 527 organizations. Thus, under the amendment, all organizations required to report would be required to satisfy the same reporting periods and deadlines as are contained in the Federal Election Campaign Act. The amendment would continue to permit a section 527 organization organized and operated exclusively for the purpose of securing the nomination, election, or appointment of a candidate for State, local, or judicial office to report annually.