

112TH CONGRESS
1ST SESSION

S. 749

To establish a revenue source for fair elections financing of Senate campaigns by providing an excise tax on amounts paid pursuant to contracts with the United States Government.

IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, APRIL 5), 2011

Mr. DURBIN (for himself, Mrs. BOXER, Mr. CARDIN, Mr. FRANKEN, Mr. HARKIN, Mr. KERRY, Ms. KLOBUCHAR, Mr. LEAHY, Mr. MERKLEY, Ms. MIKULSKI, Mr. SANDERS, Mrs. SHAHEEN, and Mr. TESTER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To establish a revenue source for fair elections financing of Senate campaigns by providing an excise tax on amounts paid pursuant to contracts with the United States Government.

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 “Fair Elections Revenue
5 Act of 2011”.

1 **SEC. 2. FAIR ELECTIONS FUND REVENUE.**

2 (a) IN GENERAL.—The Internal Revenue Code of
3 1986 is amended by inserting after chapter 36 the fol-
4 lowing new chapter:

5 **“CHAPTER 37—TAX ON PAYMENTS PURSU-**
6 **ANT TO CERTAIN GOVERNMENT CON-**
7 **TRACTS**

“Sec. 4501. Imposition of tax.

8 **“SEC. 4501. IMPOSITION OF TAX.**

9 “(a) TAX IMPOSED.—There is hereby imposed on any
10 payment made to a qualified person pursuant to a contract
11 with the Government of the United States a tax equal to
12 0.50 percent of the amount paid.

13 “(b) LIMITATION.—The aggregate amount of tax im-
14 posed under subsection (a) for any calendar year shall not
15 exceed \$500,000.

16 “(c) QUALIFIED PERSON.—For purposes of this sec-
17 tion, the term ‘qualified person’ means any person
18 which—

19 “(1) is not a State or local government, a for-
20 eign nation, or an organization described in section
21 501(c)(3) which is exempt from taxation under sec-
22 tion 501(a), and

23 “(2) has contracts with the Government of the
24 United States with a value in excess of \$10,000,000.

1 “(d) PAYMENT OF TAX.—The tax imposed by this
2 section shall be paid by the person receiving such payment.

3 “(e) USE OF REVENUE GENERATED BY TAX.—It is
4 the sense of the Senate that amounts equivalent to the
5 revenue generated by the tax imposed under this chapter
6 should be appropriated for the financing of a Fair Elec-
7 tions Fund and used for the public financing of Senate
8 elections.”.

9 (b) CONFORMING AMENDMENT.—The table of chap-
10 ter of the Internal Revenue Code of 1986 is amended by
11 inserting after the item relating to chapter 36 the fol-
12 lowing:

“CHAPTER 37—TAX ON PAYMENTS PURSUANT TO CERTAIN GOVERNMENT
CONTRACTS”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to contracts entered into after the
15 date of the enactment of this Act.

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