

The legislation from Representative HERN that is also included in this bill will fix the disconnect between Federal laws that are currently setting up State and Tribal child support agencies for failure.

The child support enforcement program is one of the most highly successful, cost-effective Federal programs that millions of families across the country rely upon each month. The program produces \$5 in benefits for every \$1 spent on administration. Nearly 13 million children, representing 18 percent of all children, are affected by this program.

Twenty-six States from the National Governors Association have endorsed this legislation, along with the National Conference of State Legislatures, the National Association of Counties, and the National Association of Tribal Child Support Directors.

Mr. Speaker, I urge my colleagues to join them in supporting this important legislation, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SMUCKER). The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 9076, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. SMITH of Missouri. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

## NO FOREIGN ELECTION INTERFERENCE ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8314) to amend the Internal Revenue Code of 1986 to impose penalties with respect to contributions to political committees from certain tax exempt organizations that receive contributions from foreign nationals, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 8314

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

### SECTION 1. SHORT TITLE.

*This Act may be cited as the "No Foreign Election Interference Act".*

### SEC. 2. PENALTIES WITH RESPECT TO CONTRIBUTIONS TO POLITICAL COMMITTEES FROM CERTAIN TAX EXEMPT ORGANIZATIONS THAT ACCEPT CONTRIBUTIONS FROM FOREIGN NATIONALS.

*(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:*

**"SEC. 6720D. CONTRIBUTIONS TO POLITICAL COMMITTEES FROM CERTAIN TAX EXEMPT ORGANIZATIONS THAT ACCEPT CONTRIBUTIONS FROM FOREIGN NATIONALS.**

*"(a) IN GENERAL.—Any specified tax exempt organization that makes any disqualified polit-*

*ical committee contribution shall pay a penalty equal to twice the amount of such contribution.*

*"(b) DISQUALIFIED POLITICAL COMMITTEE CONTRIBUTION.—For purposes of this section—*

*"(1) IN GENERAL.—The term 'disqualified political committee contribution' means, with respect to any organization described in section 501(c), any contribution made by such organization to a political committee (as defined in section 301 of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101)) if such organization received, during any testing period, any contribution or gift (within the meaning of section 6033(b)(5)) from a foreign national (as defined in section 319(b) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30121(b))).*

*"(2) TESTING PERIOD.—The term 'testing period' means, with respect to any contribution by an organization described in section 501(c), the 8-year period ending on the date of such contribution, except that such period shall not include any period before the date of the enactment of this section.*

*"(c) SPECIFIED TAX EXEMPT ORGANIZATION.—For purposes of this section—*

*"(1) IN GENERAL.—The term 'specified tax exempt organization' means, with respect to any taxable year, any organization described in section 501(c) and exempt from tax under section 501(a) if—*

*"(A) the gross receipts of such organization for such taxable year equal or exceed \$200,000, or*

*"(B) the assets of such organization (determined as of the close of such taxable year) equal or exceed \$500,000.*

*"(2) COORDINATION WITH REVOCATION OF TAX EXEMPT STATUS BY REASON OF MAKING DISQUALIFIED POLITICAL COMMITTEE CONTRIBUTIONS.—An organization which is not exempt from tax under section 501(a) solely by reason of section 501(s) shall be treated for purposes of paragraph (1) of this subsection as exempt from tax under section 501(a) with respect to the application of this section to the first 3 disqualified political committee contributions of such organization."*

*(b) REVOCATION OF EXEMPT STATUS UPON THIRD DISQUALIFIED POLITICAL COMMITTEE CONTRIBUTION.—Section 501 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:*

*"(s) REVOCATION OF EXEMPT STATUS OF CERTAIN ORGANIZATIONS THAT ACCEPT CONTRIBUTIONS FROM FOREIGN NATIONALS AND MAKE CONTRIBUTIONS TO POLITICAL COMMITTEES.—Any organization described in subsection (c) which makes more than 2 disqualified political committee contributions (as defined in section 6720D(b)) shall not be exempt from taxation under subsection (a) for any taxable year ending on or after the date of the third such contribution."*

*(c) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by adding at the end the following new item:*

*"Sec. 6720D. Contributions to political committees from certain tax exempt organizations that accept contributions from foreign nationals."*

*(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made on or after January 1, 2025, by organizations described in section 501(c) of the Internal Revenue Code of 1986.*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentlewoman from California (Ms. SANCHEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in

which to revise and extend their remarks and submit extraneous material on the bill under consideration.

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

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the world's leading democracy, America is an example for other nations to follow. Unfortunately, we are also a target for foreign actors seeking to influence and undermine our elections.

Over the last year, as the Ways and Means Committee has been investigating concerns about the dangerous influence of foreign money in our elections, it has become clear that loopholes exist in our tax code that foreign donors are able to take advantage of so they can influence the American electoral process.

Under current law, foreign nationals are prohibited from making contributions directly to election campaigns, but there is nothing that prohibits overseas cash flowing from foreign nationals, including from adversaries of the United States such as China, through tax-exempt organizations and then into the hands of super-PACs.

The committee's investigation discovered a particularly disturbing example: A foreign national from Switzerland has given over \$100 million through his tax-exempt organization to the Sixteen Thirty Fund, a 501(c)(4), which subsequently distributed \$63 million to super-PACs to try to persuade the American voter. According to The New York Times, the Sixteen Thirty Fund is a leading vehicle for dark money on the left.

The American people shouldn't be subjected to TV and digital ads financed by the Chinese Communist Party or other nations seeking to influence the vote or undermine our elections. I think we can all agree that our election should be free of foreign interference.

For my colleagues on the left who spent years talking about foreign election interference, this should be a no-brainer. If they care about our electoral process and making sure it is open and fair, then we need to make sure foreign money can't drown out the voices of American voters.

The legislation before us today, sponsored by Representative MALLIOTAKIS, the No Foreign Election Interference Act, was approved in May by the Ways and Means Committee 39-1. Her bill closes this loophole in the tax code by restricting tax-exempt organizations from donating to super-PACs after receiving foreign gifts or contributions, and it revokes the tax-exempt status for organizations that repeatedly violate this law.

This bill is not aimed at program service revenue or member dues but clearly focuses on contributions and gifts made to tax-exempt organizations that then make donations to super-PACs.

When it comes to our elections, the American people, not wealthy foreign donors, should decide the future direction of our country.

Mr. Speaker, I commend Representative MALLIOTAKIS for her leadership on this issue, and I encourage all of my colleagues to vote “yes” on this bill so that we can maintain the integrity of our election system.

Mr. Speaker, I reserve the balance of my time.

Ms. SANCHEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in opposition to H.R. 8314, the No Foreign Election Interference Act.

While the title and the intent of the bill sound reasonable, in its current form, the bill ultimately fails in its goal to defend democracy. Instead, this bill would unfairly hurt American workers and the unions that represent them.

This bill has many unintended and harmful consequences. Although the intent and the spirit of the bill are good, in the current form, it falls very short of its intention.

It imposes penalties on organizations that make contributions to political committees and receive contributions or gifts from foreign nationals during an 8-year lookback period. However, it does not define a contribution or gift for this purpose or contain any reasonable cause exception. The penalty equals twice the amount of the contribution made to the political committee. If a tax-exempt organization makes more than two political contributions described in this bill, the organization loses its exempt status as of the third contribution.

I am particularly concerned about the severe penalties the bill would impose on organizations that have international members and make political contributions. This bill is opposed by unions, including the AFL-CIO, which represents 60 affiliate unions and 12.5 million workers.

□ 1630

Labor unions are obligated to represent all workers in a bargaining unit, but they have no role in who is hired.

An employer may hire a citizen, a permanent resident who holds a legal green card, or an immigrant holding a temporary visa.

Accordingly, if union dues are considered a contribution or gift and the dues are received from a foreign national, that is, a noncitizen, this would restrict the union's right to give to a political committee.

It is imperative that they be able to advocate on behalf of workers and fully engage in the political process. Since this bill only applies to nonprofits, for-profit corporations don't face this same danger.

Finally, the bill is also redundant because foreign nationals are already prohibited from donating to political candidates in any Federal, State, or local election under the Federal Election Campaign Act of 1971.

If Republicans were serious about removing dark money from politics, the bill under consideration today would be the DISCLOSE Act.

Mr. Speaker, I urge my colleagues to vote “no” on this antiworker bill, and I reserve the balance of my time.

Mr. SMITH of Missouri. Wow, Mr. Speaker. This is about as swampy as you can get in Washington. This bill passed out of the House Ways and Means Committee 39-1, including the gentlewoman from California who voted “yes.”

The only difference between when it passed out of the committee to where we are today is that some outside interest groups, who apparently control the voting cards and the opinions of a lot of people, said this is a bad bill, so now we are a “no.” That is very, very unfortunate.

I yield such time as she may consume to the gentlewoman from New York (Ms. MALLIOTAKIS).

Ms. MALLIOTAKIS. Mr. Speaker, I thank Chairman SMITH for advocating for this bill, working to bring it to the floor, and making sure that we do not have foreign election interference.

Mr. Speaker, my legislation, H.R. 8314, the No Foreign Election Interference Act, closes a loophole in our tax code that foreign citizens and potentially foreign adversaries have used to influence and derail the will of the United States people.

Under current law, foreign nationals are prohibited from donating to political committees, as my colleague on the other side pointed out.

However, what my colleague on the other side of the aisle failed to mention is that there are no restrictions on foreign nationals flowing money through tax-exempt organizations and then moving that money into super-PAC issue advocacy organizations that get involved in American elections with the intention to influence our elections. This is a major loophole.

Public reporting suggests that foreign nationals who are barred from directly contributing to candidate campaigns by the FEC are exploiting tax-exempt organizations as a pass-through, something that as current law stands is permissible.

For example, a Swiss billionaire has used a network of nonprofits to steer tens of millions of dollars to influence our elections and undermine our democracy.

According to The New York Times, the same individual between 2016 and 2020 donated significant sums of money to the Sixteen Thirty Fund, which subsequently sent over \$60 million to super-PACs that supported exclusively Democrats. Perhaps that is why we all of a sudden see this opposition to this legislation after it passed committee almost unanimously.

We should all be uncomfortable with any noncitizen having so much sway over our electoral decisions and public discourse. Our elections are our elections. They do not belong to individuals who cannot even cast a ballot in the United States.

This bill would prohibit any tax-exempt organization that receives foreign national contributions from subsequently making contributions to political committees, such as super-PACs, for 8 years. Failure to comply would result in significant fines and eventually revocation of tax-exempt status.

Let me be abundantly clear: To address the concern brought up by my colleague on the other side of the aisle, this legislation does not include any dues-paying trade organizations or labor unions. The sole intent of this bill is to keep foreign mega-donor money out of our elections.

Again, I thank Chairman JASON SMITH of Ways and Means for working with me on this legislation, and I hope that my colleagues will support this legislation today and that it will pass with bipartisan support as it did out of the committee.

Ms. SANCHEZ. Mr. Speaker, I have no further speakers, I am prepared to close, and I yield myself the balance of my time.

Mr. Speaker, as I stated earlier, the intent of this bill is noble and even reasonable, but as it is written, it is fundamentally flawed.

While it is true that the bill passed out of committee on a nearly unanimous vote, and in that iteration, I did vote for it. Upon further scrutiny of the bill, we noticed that there were some very troubling aspects of this bill, which make it not fulfill the solution to the problem that it is seeking to do.

If my colleagues on the other side of the aisle were correct in saying that it doesn't unfairly target unions, they could tighten up the definition of what contributions are in this bill, or they could amend it to specifically exclude labor unions from the provisions of this bill that are so punitive.

My question to my colleagues on the other side of the aisle is I can understand wanting to remove foreign influence from our elections, but why do they want to silence the voices of working families in the United States, because that is what this bill does.

I support removing dark money from politics, but this bill is not the right bill, and it is certainly not the right approach.

Its significant penalties on tax-exempt organizations unfairly target workers and the unions that represent them, and there is nothing swampy about wanting to defend those workers.

This bill does not fail to meaningfully reduce foreign election interference, so I must urge my colleagues to vote “no” in opposition of this bill, and I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I think it is noteworthy to know that whenever we did the markup on this bill in committee, the other side did not present one amendment to protect what they are suggesting now that they should have done in amendment. Guess what? They voted 39-1 for this bill.

Those penalties that the gentleman from California was pointing out that she didn't like, that hasn't changed. That was in the bill, and they passed it. She voted for it.

This bill is about making sure American elections are decided by American voters, not foreign nationals who want to tip the scales in favor of their preferred candidate or policy.

The 2020 elections were the most expensive elections in history with election spending totaling more than \$14 billion, an amount surely to be surpassed in 2024.

The American people deserve to know that the commercials and ads that are being pumped through their TVs and phones are free from foreign influence.

Representative MALLIOTAKIS' bill will close a loophole that allows wealthy foreigners to exercise outsized influence in our U.S. elections through donations to tax-exempt organizations who then flood our airwaves through super-PAC spending, emboldened with foreign dollars—not American dollars, foreign dollars.

I urge my colleagues to stand with American voters who shouldn't have their voices silenced by billionaires from overseas. I ask and encourage this body to support this legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 8314, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. SÁNCHEZ. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

## VSO EQUAL TAX TREATMENT ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1432) to amend the Internal Revenue Code of 1986 to provide for the deductibility of charitable contributions to certain organizations for members of the Armed Forces, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1432

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

### SECTION 1. SHORT TITLE.

This Act may be cited as the “VSO Equal Tax Treatment Act” or as the “VETT Act”.

### SEC. 2. DEDUCTIBILITY OF CHARITABLE CONTRIBUTIONS TO CERTAIN ORGANIZATIONS FOR MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Section 170(c) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (5) the following new paragraph:

“(6) An organization described in section 501(c)(19) that is a federally chartered corporation.”.

(b) PERCENTAGE LIMITATION.—Section 170(b)(1)(A) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of clause (viii), by adding “or” at the end of clause (ix), and by inserting after clause (ix) the following new clause:

“(x) an organization described in section 501(c)(19) that is a federally chartered corporation.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

#### GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1432, the VSO Equal Tax Treatment Act, or VETT Act, introduced by my Ways and Means colleague, Dr. BRAD WENSTRUP, and Representative JIMMY PANETTA.

In short, this legislation makes it easier for those looking to support our veterans to do so through donations to the veterans service organization of their choosing.

Right now, certain VSOs are prohibited from accepting tax-deductible donations if over 10 percent of the members in their organization are not considered “wartime veterans,” but this prohibition is outdated.

As our veteran populations age, this needlessly restrictive definition excludes veteran populations who joined the service following the Vietnam war and before the Persian Gulf war.

An estimated 2.4 million veterans living today do not meet the definition of wartime veterans, including some of the men and women who bravely served this country in Iraq and Afghanistan.

VSOs provide critical services to our Nation's veterans. They help with filing service-connected claims with the VA. They provide other types of assistance when it comes to navigating the confusing web of government programs our veterans rely on.

They also stand in support of our military families, the moms and dads, the husbands and wives, and the sons and daughters of our veterans.

Under this legislation, our tax code will no longer discriminate among our veterans service organizations. Charitable contributions to all federally chartered, tax-exempt organizations that serve current and former members of the military will be tax deductible.

The Ways and Means Committee approved this legislation unanimously. I urge all my colleagues to follow our bipartisan lead and vote “yes” on this commonsense bill to support our veterans, and I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1432, the VETT Act. Veterans service organizations provide vital and integral support to our servicemembers in their local communities.

This bill updates outdated rules in the tax code, and in doing so, ensures that Americans have the needed incentives to support these organizations that serve those who served our country.

By providing equal treatment to veterans that served in war and those who served in peacetime, we are ensuring that VSOs are able to grow and maintain their memberships without having to risk losing their ability to receive tax deductible charitable donations.

Mr. Speaker, if there is any group in our country, in our society that deserves all of the effort that we can put forth to make sure that they receive the fairest of treatment in terms of what they have done to serve our country, this is something I think we owe them all.

I support this legislation and reserve the balance of my time.

□ 1645

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WENSTRUP).

Mr. WENSTRUP. Mr. Speaker, I rise in support of my bill, H.R. 1432, the VSO Equal Tax Treatment Act, or the VETT Act.

The VETT Act is a commonsense, bipartisan bill, which I have been proud to lead since 2018. As a veteran myself, I know firsthand how these organizations offer vital support and a sense of community to Americans who wore our Nation's uniform and sacrificed so much for our country.

All veterans deserve our support and gratitude, regardless of the period in which they served. Yet, under the current tax code, veterans service organizations whose membership consist of less than 90 percent wartime veterans are prohibited from accepting tax-deductible donations.

This disadvantages the VSOs that serve a broad membership of both wartime and nonwartime veterans, and