

113TH CONGRESS
1ST SESSION

H. R. 2924

To amend the Internal Revenue Code of 1986 to require that the Secretary of the Treasury follow certain procedures relating to status applications of 501(c)(4) organizations.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2013

Mr. MARCHANT 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 require that the Secretary of the Treasury follow certain procedures relating to status applications of 501(c)(4) organizations.

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 “Strict Standards and
5 Accountability Act”.

1 **SEC. 2. CERTAIN PROCEDURES RELATING TO STATUS AP-**
2 **PLICATIONS OF 501(c)(4) ORGANIZATIONS.**

3 (a) IN GENERAL.—Part I of subchapter F of chapter
4 1 of the Internal Revenue Code of 1986 is amended by
5 adding at the end the following:

6 **“SEC. 506. PROCEDURES RELATING TO APPLICATIONS OF**
7 **501(c)(4) ORGANIZATIONS.**

8 “(a) INITIAL NOTICE.—The Secretary shall acknowl-
9 edge in writing the receipt of an application to be treated
10 as an organization described in section 501(c)(4) and ex-
11 empt from tax under section 501(a) not later than 28 days
12 after receipt of such application.

13 “(b) 6 MONTHS.—In the case that the Secretary has
14 not approved or denied such application after 6 months
15 after the date of the acknowledgment specified in para-
16 graph (1) the Secretary shall—

17 “(1)(A) inform the applicant in writing as to
18 the status of its application,

19 “(B) enumerate reasons specific to the applica-
20 tion for its delay, and

21 “(C) provide an approximate expectation of
22 when a final decision may be made, and

23 “(2) consider such application under fast track
24 procedures which the Secretary shall provide by reg-
25 ulation or other guidance.

26 “(c) 1-YEAR.—

1 “(1) IN GENERAL.—In the case that the Sec-
2 retary has not approved or denied such application
3 after 365 days after the date of the acknowledgment
4 specified in paragraph (1), the Secretary shall—

5 “(A) inform the applicant in writing as to
6 the status of its application, and

7 “(B) enumerate reasons specific to the ap-
8 plication for its delay.

9 “(2) NOTICE TO CONGRESS.—If the Secretary
10 cannot make a decision before two months after 365
11 days from the date of the initial acknowledgment
12 under subsection (a), the Secretary shall report dur-
13 ing that time to the Chairpersons of the Committee
14 on Ways and Means Committee and Senate Finance
15 Committee on the extenuating circumstances of each
16 such case that prevents timely determination thereof
17 and provide the numerical amount of 501(c)(4) ap-
18 plications pending for over 365 days.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for part I of subchapter F of chapter 1 of such Code is
21 amended by adding at the end the following new item:

 “Sec. 506. Procedures relating to applications of 501(c)(4) organizations.”.

22 (c) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to applications submitted after the
24 date of the enactment of this Act.