

115TH CONGRESS
2D SESSION

H. R. 6983

To amend the Internal Revenue Code of 1986 to make public the names and addresses of foreign persons contributing \$50,000 or more to certain tax-exempt organizations and to require disclosure of foreign campaign contributions.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2018

Mr. CONAWAY (for himself, Mr. JONES, and Ms. STEFANIK) 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 make public the names and addresses of foreign persons contributing \$50,000 or more to certain tax-exempt organizations and to require disclosure of foreign campaign contributions.

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 “Uncovering Foreign
5 Influence in the United States Act of 2018”.

1 **SEC. 2. PUBLIC AVAILABILITY OF 501(c)(3) ANNUAL RETURN**
2 **INFORMATION RELATING TO FOREIGN PER-**
3 **SON CONTRIBUTIONS.**

4 (a) SECRETARY.—Section 6104(b) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) by striking “509(a) or” and inserting
7 “509(a),”;

8 (2) by inserting “, or as provided in the last
9 sentence of this subsection” after “under section
10 527”; and

11 (3) by adding at the end the following: “Orga-
12 nizations described in section 501(c)(3) shall make
13 available to the public in the same manner as infor-
14 mation under the first sentence of this subsection
15 the name and address of each foreign person (as de-
16 fined in subsection (d)(3)(C)) who contributed
17 \$50,000 or more to the organization for the taxable
18 year.”.

19 (b) ORGANIZATION.—Section 6104(d)(3) of such
20 Code is amended by adding at the end the following new
21 subparagraph:

22 “(C) DISCLOSURE OF CERTAIN CONTRIBU-
23 TIONS FROM FOREIGN PERSONS.—

24 “(i) IN GENERAL.—Subparagraph (A)
25 shall not apply in the case of the name and
26 address of a foreign person required under

1 the last sentence of subsection (b) to be
2 made available to the public.

3 “(ii) FOREIGN PERSON.—For pur-
4 poses of this subsection, the term ‘foreign
5 person’ means—

6 “(I) any person who is not a
7 United States person (as defined in
8 section 7701(a)(30),

9 “(II) any foreign government or
10 foreign governmental entity (or any
11 entity owned by, controlled by, or con-
12 sisting of one or more thereof), or

13 “(III) any corporation which is
14 foreign owned (within the meaning of
15 section 269B(e)(2)).

16 Such term shall include such partnerships,
17 trusts, associations, estates, or other forms
18 of carrying on a business or activity as the
19 Secretary shall by regulation prescribe
20 based on rules similar to the rules of sub-
21 paragraph (A)(iii).

22 “(iii) COORDINATION WITH REPORT-
23 ING RELATING TO CONTRIBUTIONS MADE
24 THROUGH INTERMEDIARIES.—For pur-
25 poses of this subparagraph and the last

1 sentence of subsection (b), any foreign per-
2 son with respect to whom a written state-
3 ment is furnished to the organization
4 under section 6050X(c) shall be treated as
5 having made to the organization the con-
6 tribution to which such statement re-
7 lates.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to returns for taxable years begin-
10 ning after December 31, 2017.

11 **SEC. 3. REPORTING REQUIREMENTS FOR FOREIGN CON-**
12 **TRIBUTIONS TO 501(c)(3) ORGANIZATIONS**
13 **THROUGH INTERMEDIARIES.**

14 (a) IN GENERAL.—Subpart B of part III of sub-
15 chapter A of chapter 61 of the Internal Revenue Code of
16 1986 is amended by adding at the end the following new
17 section:

18 **“SEC. 6050X. RETURNS RELATING TO FOREIGN CONTRIBU-**
19 **TIONS TO 501(c)(3) ORGANIZATIONS THROUGH**
20 **INTERMEDIARIES.**

21 “(a) IN GENERAL.—A return shall be made by any
22 person who as an intermediary makes a contribution on
23 behalf of a foreign person to an applicable exempt organi-
24 zation with the reasonable expectation that in connection

1 with such contribution such organization will perform pol-
2 icy analysis for the benefit of such foreign person.

3 “(b) FORM AND MANNER OF RETURN.—Such return
4 shall—

5 “(1) be made at such time and in such form
6 and manner as the Secretary shall prescribe, and

7 “(2) contain the name and address of the for-
8 eign person and the amount of the contribution to
9 which such return relates.

10 “(c) STATEMENT SHALL BE FURNISHED TO ORGA-
11 NIZATION.—Every person required to make a return
12 under subsection (a) with respect to a contribution shall
13 furnish to the organization to which such contribution was
14 made a written statement showing—

15 “(1) the information required to be shown on
16 the return under subsection (a), and

17 “(2) the name and address of the person re-
18 quired to make such return.

19 “(d) DEFINITIONS.—For purposes of this section—

20 “(1) FOREIGN PERSON.—The term ‘foreign per-
21 son’ has the meaning given such term by section
22 6104(d)(3)(C)(ii).

23 “(2) APPLICABLE EXEMPT ORGANIZATION.—
24 The term ‘applicable exempt organization’ means an

1 organization described in section 501(c)(3) and ex-
 2 empt from tax under section 501(a).”.

3 (b) CLERICAL AMENDMENT.—The table of sections
 4 for subpart B of part III of subchapter A of chapter 61
 5 of such Code is amended by adding at the end the fol-
 6 lowing new item:

“Sec. 6050X. Returns relating to foreign contributions to 501(c)(3) organiza-
 tions through intermediaries.”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to contributions made after De-
 9 cember 31, 2017.

10 **SEC. 4. IMPOSITION OF TAX ON UNDISCLOSED FOREIGN**
 11 **CONTRIBUTIONS.**

12 (a) IN GENERAL.—Subtitle D of the Internal Rev-
 13 enue Code of 1986 is amended by adding at the end the
 14 following new chapter:

15 **“CHAPTER 50A—FOREIGN**
 16 **CONTRIBUTIONS**

“Sec. 5000D. Imposition of tax on undisclosed foreign contributions.

17 **“SEC. 5000D. IMPOSITION OF TAX ON UNDISCLOSED FOR-**
 18 **EIGN CONTRIBUTIONS.**

19 “(a) IMPOSITION OF TAX.—In the case of a United
 20 States person who makes an applicable foreign-source po-
 21 litical contribution and fails to disclose such contribution
 22 during the 30-day period beginning on the date such con-
 23 tribution was made, there is hereby imposed on any such

1 failure a tax equal to the applicable percentage of the
2 amount of such contribution.

3 “(b) APPLICABLE PERCENTAGE.—For purposes of
4 this section, the applicable percentage shall be 10 percent,
5 increased by 10 percentage points (but not to more than
6 100 percent) for each subsequent 30-day period (or frac-
7 tion thereof) thereafter during which such failure con-
8 tinues.

9 “(c) APPLICABLE FOREIGN-SOURCE POLITICAL CON-
10 TRIBUTION.—For purposes of this section, the term ‘appli-
11 cable foreign-source political contribution’ means any con-
12 tribution directly or indirectly for the benefit of a can-
13 didate for Federal, State, or local elected office in the
14 United States which is made on behalf of, or is funded
15 by, a person other than a United States person or bona
16 fide resident (as defined in section 937(a)) of a possession
17 of the United States.

18 “(d) FORM AND MANNER OF DISCLOSURE.—The dis-
19 closure required under subsection (a) shall be made to the
20 Secretary, and shall be made publicly available, in such
21 form and manner as the Secretary shall prescribe. Such
22 disclosure shall include the amount of the contribution and
23 shall identify on whose behalf such contribution was
24 made.”.

1 (b) CLERICAL AMENDMENT.—The table of chapters
2 for subtitle D of such Code is amended by adding at the
3 end the following new item:

 “CHAPTER 50A. FOREIGN CONTRIBUTIONS”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to contributions made after De-
6 cember 31, 2018.

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