I

117TH CONGRESS
1ST SESSION

H. R. 1312

To amend chapters 95 and 96 of the Internal Revenue Code of 1986 to reform the system of public financing for Presidential election campaigns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 2021

Mr. PRICE of North Carolina introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committees on Ways and Means, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend chapters 95 and 96 of the Internal Revenue Code of 1986 to reform the system of public financing for Presidential election campaigns, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ‘‘Empower Act of 2021’’.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—PRIMARY ELECTIONS

SEC. 101. INCREASE IN AND MODIFICATIONS TO MATCHING PAYMENTS.

(a) INCREASE AND MODIFICATION.—

(1) IN GENERAL.—The first sentence of section 9034(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking "an amount equal to the amount of each contribution" and inserting "an amount equal to 600 percent of the amount of each matchable contribution (disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person for the election exceeds $200)''; and

(B) by striking ''authorized committees'' and all that follows through ''$250'' and inserting ''authorized committees''.

(2) MATCHABLE CONTRIBUTIONS.—Section 9034 of such Code is amended—

(A) by striking the last sentence of subsection (a); and

(B) by adding at the end the following new subsection:

''(c) MATCHABLE CONTRIBUTION DEFINED.—For purposes of this section and section 9033(b)—

''(1) MATCHABLE CONTRIBUTION.—The term 'matchable contribution' means, with respect to the nomination for election to the office of President of the United States, a contribution by an individual to a candidate or an authorized committee of a candidate with respect to which the candidate has certified in writing that—

''(A) the individual making such contribution has not made aggregate contributions (including such matchable contribution) to such candidate and the authorized committees of such candidate in excess of $1,000 for the election;

"(B) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including such matchable contribution) aggregating more than the amount described in subparagraph (A); and

"(C) such contribution was a direct contribution.

"(2) CONTRIBUTION.—For purposes of this subsection, the term 'contribution' means a gift of money made by a written instrument which identifies the individual making the contribution by full name and mailing address, but does not include a subscription, loan, advance, or deposit of money, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9032(4).

"(3) DIRECT CONTRIBUTION.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'direct contribution' means, with respect to a candidate, a contribution which is made directly by an individual to the candidate or an authorized committee of the candidate and is not—

"(i) forwarded from the individual making the contribution to the candidate or committee by another person; or

"(ii) received by the candidate or committee with the knowledge that the contribution was made at the request, suggestion, or recommendation of another person.

"(B) OTHER DEFINITIONS.—In subparagraph (A)—

"(i) the term 'person' does not include an individual (other than an individual described in section 304(i)(7) of the Federal Election Campaign Act of 1971), a political committee of a political party, or any political committee which is not a separate segregated fund described in section 316(b) of the Federal Election Campaign Act of 1971 and which does not make contributions or independent expenditures, does not engage in lobbying activity under the Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.), and is not established by, controlled by, or affiliated with a registered lobbyist under such Act, an agent of a registered lobbyist under such Act, or an organization which retains or employs a registered lobbyist under such Act; and

"(ii) a contribution is not 'made at the request, suggestion, or recommendation of another person' solely on the grounds that the contribution is made in response to information provided to the individual making the contribution by any person, so long as the candidate or authorized committee does not know the identity of the person who provided the information to such individual.".

(3) CONFORMING AMENDMENTS.—

(A) Section 9032(4) of such Code is amended by striking "section 9034(a)" and inserting "section 9034".

(B) Section 9033(b)(3) of such Code is amended by striking "matching contributions" and inserting "matchable contributions".

(b) MODIFICATION OF PAYMENT LIMITATION.—Section 9034(b) of such Code is amended—

(1) by striking ‘‘The total’’ and inserting the following:

‘‘(1) IN GENERAL.—The total’’;

(2) by striking ‘‘shall not exceed’’ and all that follows and inserting ‘‘shall not exceed $250,000,000.’’; and

(3) by adding at the end the following new paragraph:

‘‘(2) INFLATION ADJUSTMENT.—

‘‘(A) IN GENERAL.—In the case of any applicable period beginning after 2029, the dollar amount in paragraph (1) shall be increased by an amount equal to—

‘‘(i) such dollar amount, multiplied by

‘‘(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year following the year which such applicable period begins, determined by substituting ‘calendar year 2028’ for ‘calendar year 1992’ in subparagraph (B) thereof.

‘‘(B) APPLICABLE PERIOD.—For purposes of this paragraph, the term ‘applicable period’ means the 4-year period beginning with the first day following the date of the general election for the office of President and ending on the date of the next such general election.

"(C) ROUNDING.—If any amount as adjusted under subparagraph (1) is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.".

SEC. 102. ELIGIBILITY REQUIREMENTS FOR MATCHING PAYMENTS.

(a) AMOUNT OF AGGREGATE CONTRIBUTIONS PER STATE; DISREGARDING OF AMOUNTS CONTRIBUTED IN EXCESS OF $200.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$5,000" and inserting "$25,000"; and

(2) by striking "20 States" and inserting the following: "20 States (disregarding any amount of contributions from any such resident to the extent that the total of the amounts contributed by such resident for the election exceeds $200)".

(b) CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (4) of section 9033(b) of such Code is amended to read as follows:

"(4) the candidate and the authorized committees of the candidate will not accept aggregate contributions from any person with respect to the nomination for election to the office of President of the United States in excess of $1,000 for the election.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 9033(b) of such Code is amended by adding at the end the following new flush sentence:

``For purposes of paragraph (4), the term 'contribution' has the meaning given such term in section 301(8) of the Federal Election Campaign Act of 1971.''.

(B) Section 9032(4) of such Code, as amended by section 101(a)(3)(A), is amended by striking ``section 9034'' and inserting ``section 9033(b) or 9034''.

(c) PARTICIPATION IN SYSTEM FOR PAYMENTS FOR GENERAL ELECTION.—Section 9033(b) of such Code is amended—

(1) by striking ``and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ``, and''; and

(3) by inserting after paragraph (4) the following new paragraph:

``(5) if the candidate is nominated by a political party for election to the office of President, the candidate will apply for and accept payments with respect to the general election for such office in accordance with chapter 95.''.

(d) PROHIBITION ON JOINT FUNDRAISING COMMITTEES.—Section 9033(b) of such Code, as amended by subsection (c), is amended—

(1) by striking ''and'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) the candidate will not establish a joint fundraising committee with a political committee other than another authorized committee of the candidate, except that candidate established a joint fundraising committee with respect to a prior election for which the candidate was not eligible to receive payments under section 9037 and the candidate does not terminate the committee, the candidate shall not be considered to be in violation of this paragraph so long as that joint fundraising committee does not receive any contributions or make any disbursements during the election cycle for which the candidate is eligible to receive payments under such section.''.

SEC. 103. REPEAL OF EXPENDITURE LIMITATIONS.

(a) IN GENERAL.—Subsection (a) of section 9035 of the Internal Revenue Code of 1986 is amended to read as follows:

"(a) PERSONAL EXPENDITURE LIMITATION.—No candidate shall knowingly make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election to the office of President in excess of, in the aggregate, $50,000.".

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 9033(b) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) the candidate will comply with the personal expenditure limitation under section 9035,".

SEC. 104. PERIOD OF AVAILABILITY OF MATCHING PAYMENTS.

Section 9032(6) of the Internal Revenue Code of 1986 is amended by striking "the beginning of the calendar year in which a general election for the office of President of the United States will be held" and inserting "the date that is 6 months prior to the date of the earliest State primary election".

SEC. 105. EXAMINATION AND AUDITS OF MATCHABLE CONTRIBUTIONS.

Section 9038(a) of the Internal Revenue Code of 1986 is amended by inserting ''and matchable contributions accepted by'' after ''qualified campaign expenses of''.

SEC. 106. MODIFICATION TO LIMITATION ON CONTRIBUTIONS FOR PRESIDENTIAL PRIMARY CANDIDATES.

Section 315(a)(6) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30116(a)(6)) is amended by striking ''calendar year'' and inserting ''four-year election cycle''.

SEC. 107. USE OF FREEDOM FROM INFLUENCE FUND AS SOURCE OF PAYMENTS.

(a) IN GENERAL.—Chapter 96 of subtitle H of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 9043. USE OF FREEDOM FROM INFLUENCE FUND AS SOURCE OF PAYMENTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this chapter, effective with respect to the Presidential election held in 2028 and each succeeding Presidential election, all payments made to candidates under this chapter shall be made from the Freedom From Influence Fund established under title III of the Empower Act of 2021 (hereafter in this section referred to as the 'Fund').

"(b) MANDATORY REDUCTION OF PAYMENTS IN CASE OF INSUFFICIENT AMOUNTS IN FUND.—

"(1) ADVANCE AUDITS BY COMMISSION.—Not later than 90 days before the first day of each Presidential election cycle (beginning with the cycle for the election held in 2028), the Commission shall—

"(A) audit the Fund to determine whether the amounts remaining in the Fund will be sufficient to make payments to candidates under this chapter in the amounts provided under this chapter during such election cycle; and

"(B) submit a report to Congress describing the results of the audit.

"(2) REDUCTIONS IN AMOUNT OF PAYMENTS.—

"(A) AUTOMATIC REDUCTION ON PRO RATA BASIS.—If, on the basis of the audit described in paragraph (1), the Commission determines that the amount anticipated to be available in the Fund with respect to the Presidential election cycle involved is not, or may not be, sufficient to satisfy the full entitlements of candidates to payments under this chapter for such cycle, the Commission shall reduce each amount which would otherwise be paid to a candidate under this chapter by such pro rata amount as may be necessary to ensure that the aggregate amount of payments anticipated to be made with respect to the cycle will not exceed the amount anticipated to be available for such payments in the Fund with respect to such cycle.

"(B) RESTORATION OF REDUCTIONS IN CASE OF AVAILABILITY OF SUFFICIENT FUNDS DURING ELECTION CYCLE.—If, after reducing the amounts paid to candidates with respect to an election cycle under subparagraph (A), the Commission determines that there are sufficient amounts in the Fund to restore the amount by which such payments were reduced (or any portion thereof), to the extent that such amounts are available, the Commission may make a payment on a pro rata basis to each such candidate with respect to the election cycle in the amount by which such candidate's payments were reduced under subparagraph (A) (or any portion thereof, as the case may be).

"(C) NO USE OF AMOUNTS FROM OTHER SOURCES.—In any case in which the Commission determines that there are insufficient moneys in the Fund to make payments to candidates under this chapter, moneys shall not be made available from any other source for the purpose of making such payments.

"(3) NO EFFECT ON AMOUNTS TRANSFERRED FOR PEDIATRIC RESEARCH INITIATIVE.—This section does not apply to the transfer of funds under section 9008(i).

"(4) PRESIDENTIAL ELECTION CYCLE DEFINED.—In this section, the term 'Presidential election cycle' means, with respect to a Presidential election, the period beginning on the day after the date of the previous Presidential general election and ending on the date of the Presidential election.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 96 of subtitle H of such Code is amended by adding at the end the following new item:

"Sec. 9043. Use of Freedom From Influence Fund as source of payments.".

TITLE II—GENERAL ELECTIONS

SEC. 201. MODIFICATION OF ELIGIBILITY REQUIREMENTS FOR PUBLIC FINANCING.

Subsection (a) of section 9003 of the Internal Revenue Code of 1986 is amended to read as follows:

"(a) IN GENERAL.—In order to be eligible to receive any payments under section 9006, the candidates of a political party in a Presidential election shall meet the following requirements:

"(1) PARTICIPATION IN PRIMARY PAYMENT SYSTEM.—The candidate for President received payments under chapter 96 for the campaign for nomination for election to be President.

"(2) AGREEMENTS WITH COMMISSION.—The candidates, in writing—

"(A) agree to obtain and furnish to the Commission such evidence as it may request of the qualified campaign expenses of such candidates,

"(B) agree to keep and furnish to the Commission such records, books, and other information as it may request, and

"(C) agree to an audit and examination by the Commission under section 9007 and to pay any amounts required to be paid under such section.

"(3) PROHIBITION ON JOINT FUNDRAISING COMMITTEES.—

"(A) PROHIBITION.—The candidates certifies in writing that the candidates will not establish a joint fundraising committee with a political committee other than another authorized committee of the candidate.

"(B) STATUS OF EXISTING COMMITTEES FOR PRIOR ELECTIONS.—If a candidate established a joint fundraising committee described in subparagraph (A) with respect to a prior election for which the candidate was not eligible to receive payments under section 9006 and the candidate does not terminate the committee, the candidate shall not be considered to be in violation of subparagraph (A) so long as that joint fundraising committee does not receive any contributions or make any disbursements with respect to the election for which the candidate is eligible to receive payments under section 9006.".

SEC. 202. REPEAL OF EXPENDITURE LIMITATIONS AND USE OF QUALIFIED CAMPAIGN CONTRIBUTIONS.

(a) USE OF QUALIFIED CAMPAIGN CONTRIBUTIONS WITHOUT EXPENDITURE LIMITS; APPLICATION OF SAME REQUIREMENTS FOR MAJOR, MINOR, AND NEW PARTIES.—Section 9003 of the Internal Revenue Code of 1986 is amended by striking subsections (b) and (c) and inserting the following:

"(b) USE OF QUALIFIED CAMPAIGN CONTRIBUTIONS TO DEFRAY EXPENSES.—

"(1) IN GENERAL.—In order to be eligible to receive any payments under section 9006, the candidates of a party in a Presidential election shall certify to the Commission, under penalty of perjury, that—

"(A) such candidates and their authorized committees have not and will not accept any contributions to defray qualified campaign expenses other than—

"(i) qualified campaign contributions, and

"(ii) contributions to the extent necessary to make up any deficiency payments received out of the fund on account of the application of section 9006(c), and

"(B) such candidates and their authorized committees have not and will not accept any contribution to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11).

"(2) TIMING OF CERTIFICATION.—The candidate shall make the certification required under this subsection at the same time the candidate makes the certification required under subsection (a)(3).''.

(b) DEFINITION OF QUALIFIED CAMPAIGN CONTRIBUTION.—Section 9002 of such Code is amended by adding at the end the following new paragraph:

''(13) QUALIFIED CAMPAIGN CONTRIBUTION.—The term 'qualified campaign contribution' means, with respect to any election for the office of President of the United States, a contribution from an individual to a candidate or an authorized committee of a candidate which—

''(A) does not exceed $1,000 for the election; and

''(B) with respect to which the candidate has certified in writing that—

''(i) the individual making such contribution has not made aggregate contributions (including such qualified contribution) to such candidate and the authorized committees of such candidate in excess of the amount described in subparagraph (A), and

''(ii) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including such qualified contribution) aggregating more than the amount described in subparagraph (A) with respect to such election.''.

(c) CONFORMING AMENDMENTS.—

(1) REPEAL OF EXPENDITURE LIMITS.—

(A) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (52 U.S.C. 30116) is amended by striking subsection (b).

(B) CONFORMING AMENDMENTS.—Section 315(c) of such Act (52 U.S.C. 30116(c)) is amended—

(i) in paragraph (1)(B)(i), by striking '', (b)''; and

(ii) in paragraph (2)(B)(i), by striking ''subsections (b) and (d)'' and inserting ''subsection (d)''.

(2) REPEAL OF REPAYMENT REQUIREMENT.—

(A) IN GENERAL.—Section 9007(b) of the Internal Revenue Code of 1986 is amended by striking paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(B) CONFORMING AMENDMENT.—Paragraph (2) of section 9007(b) of such Code, as redesignated by subparagraph (A), is amended—

(i) by striking ‘‘a major party’’ and inserting ‘‘a party’’;

(ii) by striking ‘‘contributions (other than’’ and inserting ‘‘contributions (other than qualified contributions’’; and

(iii) by striking ‘‘(other than qualified campaign expenses with respect to which payment is required under paragraph (2))’’.

(3) CRIMINAL PENALTIES.—

(A) REPEAL OF PENALTY FOR EXCESS EXPENSES.—Section 9012 of the Internal Revenue Code of 1986 is amended by striking subsection (a).

(B) PENALTY FOR ACCEPTANCE OF DISALLOWED CONTRIBUTIONS; APPLICATION OF SAME PENALTY FOR CANDIDATES OF MAJOR, MINOR, AND NEW PARTIES.—Subsection (b) of section 9012 of such Code is amended to read as follows:

‘‘(b) CONTRIBUTIONS.—

‘‘(1) ACCEPTANCE OF DISALLOWED CONTRIBUTIONS.—It shall be unlawful for an eligible candidate of a party in a Presidential election or any of his authorized committees knowingly and willfully to accept—

"(A) any contribution other than a qualified campaign contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(c); or

"(B) any contribution to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11).

"(2) PENALTY.—Any person who violates paragraph (1) shall be fined not more than $5,000, or imprisoned not more than one year, or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than $5,000, or imprisoned not more than one year, or both.".

SEC. 203. MATCHING PAYMENTS AND OTHER MODIFICATIONS TO PAYMENT AMOUNTS.

(a) IN GENERAL.—

(1) AMOUNT OF PAYMENTS; APPLICATION OF SAME AMOUNT FOR CANDIDATES OF MAJOR, MINOR,

AND NEW PARTIES.—Subsection (a) of section 9004 of the Internal Revenue Code of 1986 is amended to read as follows:

"(a) IN GENERAL.—Subject to the provisions of this chapter, the eligible candidates of a party in a Presidential election shall be entitled to equal payment under section 9006 in an amount equal to 600 percent of the amount of each matchable contribution received by such candidate or by the candidate's authorized committees (disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person for the election exceeds $200), except that total amount to which a candidate is entitled under this paragraph shall not exceed $250,000,000.".

(2) REPEAL OF SEPARATE LIMITATIONS FOR CANDIDATES OF MINOR AND NEW PARTIES; INFLATION ADJUSTMENT.—Subsection (b) of section 9004 of such Code is amended to read as follows:

"(b) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any applicable period beginning after 2029, the $250,000,000 dollar amount in subsection (a) shall be increased by an amount equal to—

"(A) such dollar amount; multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year following the year which such applicable period begins, determined by substituting 'calendar year 2028' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means the 4-year period beginning with the first day following the date of the general election for the office of President and ending on the date of the next such general election.

"(3) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.".

(3) CONFORMING AMENDMENT.—Section 9005(a) of such Code is amended by adding at the end the following new sentence: "The Commission shall make such additional certifications as may be necessary to receive payments under section 9004.".

(b) MATCHABLE CONTRIBUTION.—Section 9002 of such Code, as amended by section 202(b), is amended by adding at the end the following new paragraph:

"(14) MATCHABLE CONTRIBUTION.—The term 'matchable contribution' means, with respect to the election to the office of President of the United States, a contribution by an individual to a candidate or an authorized committee of a candidate with respect to which the candidate has certified in writing that—

"(A) the individual making such contribution has not made aggregate contributions (including such matchable contribution) to such candidate and the authorized committees of such candidate in excess of $1,000 for the election;

"(B) such candidate and the authorized committees of such candidate will not accept contributions from such individual (including such matchable contribution) aggregating more than the amount described in subparagraph (A) with respect to such election; and

"(C) such contribution was a direct contribution (as defined in section 9034(c)(3))."."

SEC. 204. INCREASE IN LIMIT ON COORDINATED PARTY EXPENDITURES.

(a) IN GENERAL.—Section 315(d)(2) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30116(d)(2)) is amended to read as follows:

"(2)(A) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds $100,000,000.

"(B) For purposes of this paragraph—

"(i) any expenditure made by or on behalf of a national committee of a political party and in connection with a Presidential election shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party; and

"(ii) any communication made by or on behalf of such party shall be considered to be made in connection with the general election campaign of a candidate for President of the United States who is affiliated with such party if any portion of the communication is in connection with such election.

"(C) Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.''.

(b) CONFORMING AMENDMENTS RELATING TO TIMING OF COST-OF-LIVING ADJUSTMENT.—

(1) IN GENERAL.—Section 315(c)(1) of such Act (52 U.S.C. 30116(c)(1)) is amended—

(A) in subparagraph (B), by striking ''(d)'' and inserting ''(d)(2)''; and

(B) by adding at the end the following new subparagraph:

''(D) In any calendar year after 2028—

''(i) the dollar amount in subsection (d)(2) shall be increased by the percent difference determined under subparagraph (A);

''(ii) the amount so increased shall remain in effect for the calendar year; and

''(iii) if the amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.''.

(2) BASE YEAR.—Section 315(c)(2)(B) of such Act (52 U.S.C. 30116(c)(2)(B)) is amended—

(A) in clause (i)—

(i) by striking ''(d)'' and inserting ''(d)(3)''; and

(ii) by striking ''and'' at the end;

(B) in clause (ii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(iii) for purposes of subsection (d)(2), calendar year 2027.''.

SEC. 205. ESTABLISHMENT OF UNIFORM DATE FOR RELEASE OF PAYMENTS.

(a) DATE FOR PAYMENTS.—

(1) IN GENERAL.—Section 9006(b) of the Internal Revenue Code of 1986 is amended to read as follows:

''(b) PAYMENTS FROM THE FUND.—If the Secretary of the Treasury receives a certification from the Commission under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Commission on the later of—

''(1) the last Friday occurring before the first Monday in September; or

''(2) 24 hours after receiving the certifications for the eligible candidates of all major political parties.

Amounts paid to any such candidates shall be under the control of such candidates.''.

(2) CONFORMING AMENDMENT.—The first sentence of section 9006(c) of such Code is amended by striking "the time of a certification by the Commission under section 9005 for payment" and inserting "the time of making a payment under subsection (b)".

(b) TIME FOR CERTIFICATION.—Section 9005(a) of the Internal Revenue Code of 1986 is amended by striking "10 days" and inserting "24 hours".

SEC. 206. AMOUNTS IN PRESIDENTIAL ELECTION CAMPAIGN FUND.

Section 9006(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "In making a determination of whether there are insufficient moneys in the fund for purposes of the previous sentence, the Secretary shall take into account in determining the balance of the fund for a Presidential election year the Secretary's best estimate of the amount of moneys which will be deposited into the fund during the year, except that the amount of the estimate may not exceed the average of the annual amounts deposited in the fund during the previous 3 years.".

SEC. 207. USE OF GENERAL ELECTION PAYMENTS FOR GENERAL ELECTION LEGAL AND ACCOUNTING COMPLIANCE.

Section 9002(11) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''For purposes of subparagraph (A), an expense incurred by a candidate or authorized committee for general election legal and accounting compliance purposes shall be considered to be an expense to further the election of such candidate.''.

SEC. 208. USE OF FREEDOM FROM INFLUENCE FUND AS SOURCE OF PAYMENTS.

(a) IN GENERAL.—Chapter 95 of subtitle H of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 9013. USE OF FREEDOM FROM INFLUENCE FUND AS SOURCE OF PAYMENTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this chapter, effective with respect to the Presidential election held in 2028 and each succeeding Presidential election, all payments made under this chapter shall be made from the Freedom From Influence Fund established under title III of the Empower Act of 2021.

''(b) MANDATORY REDUCTION OF PAYMENTS IN CASE OF INSUFFICIENT AMOUNTS IN FUND.—

"(1) ADVANCE AUDITS BY COMMISSION.—Not later than 90 days before the first day of each Presidential election cycle (beginning with the cycle for the election held in 2028), the Commission shall—

"(A) audit the Fund to determine whether, after first making payments to candidates under chapter 96, the amounts remaining in the Fund will be sufficient to make payments to candidates under this chapter in the amounts provided under this chapter during such election cycle; and

"(B) submit a report to Congress describing the results of the audit.

"(2) REDUCTIONS IN AMOUNT OF PAYMENTS.—

"(A) AUTOMATIC REDUCTION ON PRO RATA BASIS.—If, on the basis of the audit described in paragraph (1), the Commission determines that the amount anticipated to be available in the Fund with respect to the Presidential election cycle involved is not, or may not be, sufficient to satisfy the full entitlements of candidates to payments under this chapter for such cycle, the Commission shall reduce each amount which would otherwise be paid to a candidate under this chapter by such pro rata amount as may be necessary to ensure that the aggregate amount of payments anticipated to be made with respect to the cycle will not exceed the amount anticipated to be available for such payments in the Fund with respect to such cycle.

"(B) RESTORATION OF REDUCTIONS IN CASE OF AVAILABILITY OF SUFFICIENT FUNDS DURING ELECTION CYCLE.—If, after reducing the amounts paid to candidates with respect to an election cycle under subparagraph (A), the Commission determines that there are sufficient amounts in the Fund to restore the amount by which such payments were reduced (or any portion thereof), to the extent that such amounts are available, the Commission may make a payment on a pro rata basis to each such candidate with respect to the election cycle in the amount by which such candidate's payments were reduced under subparagraph (A) (or any portion thereof, as the case may be).

"(C) NO USE OF AMOUNTS FROM OTHER SOURCES.—In any case in which the Commission determines that there are insufficient moneys in the Fund to make payments to candidates under this chapter, moneys shall not be made available from any other source for the purpose of making such payments.

"(3) NO EFFECT ON AMOUNTS TRANSFERRED FOR PEDIATRIC RESEARCH INITIATIVE.—This section does not apply to the transfer of funds under section 9008(i).

"(4) PRESIDENTIAL ELECTION CYCLE DEFINED.—In this section, the term 'Presidential election cycle' means, with respect to a Presidential election, the period beginning on the day after the date of the previous Presidential general election and ending on the date of the Presidential election.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 95 of subtitle H of such Code is amended by adding at the end the following new item:

"Sec. 9013. Use of Freedom From Influence Fund as source of payments.".

TITLE III—FREEDOM FROM INFLUENCE FUND

SEC. 301. FREEDOM FROM INFLUENCE FUND.

(a) ESTABLISHMENT.—There is established in the Treasury a fund to be known as the "Freedom From Influence Fund".

(b) AMOUNTS HELD BY FUND.—The Fund shall consist of amounts transferred under section 3015 of title 18, United States Code (as added by section 302(a)), section

9706 of title 31, United States Code (as added by section 302(b)), and section 6761 of the Internal Revenue Code of 1986 (as added by section 302(c)).

(c) USE OF FUND TO MAKE PAYMENTS TO CANDIDATES.—Amounts in the Fund shall be available without further appropriation or fiscal year limitation—

(1) to make payments to candidates under chapter 95 of subtitle H of the Internal Revenue Code of 1986, subject to reductions under section 9013(b) of such Code; and

(2) to make payments to candidates under chapter 96 of subtitle H of the Internal Revenue Code of 1986, subject to reductions under section 9043(b) of such Code.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this title.

SEC. 302. ASSESSMENTS AGAINST FINES AND PENALTIES.

(a) ASSESSMENTS RELATING TO CRIMINAL OFFENSES.—

(1) IN GENERAL.—Chapter 201 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 3015. Special assessments for Freedom From Influence Fund

"(a) ASSESSMENTS.—

"(1) CONVICTIONS OF CRIMES.—In addition to any assessment imposed under this chapter, the court shall assess on any organizational defendant or any defendant who is a corporate officer or person with equivalent authority in any other organization who is convicted of a criminal offense under Federal law an amount equal to 4.75 percent of any fine imposed on that defendant in the sentence imposed for that conviction.

"(2) SETTLEMENTS.—The court shall assess on any organizational defendant or defendant who is a corporate officer or person with equivalent authority in any other organization who has entered into a settlement agreement or consent decree with the United States in satisfaction of any allegation that the defendant committed a criminal offense under Federal law an amount equal to 4.75 percent of the amount of the settlement.

"(b) MANNER OF COLLECTION.—An amount assessed under subsection (a) shall be collected in the manner in which fines are collected in criminal cases.

"(c) TRANSFERS.—In a manner consistent with section 3302(b) of title 31, there shall be transferred from the General Fund of the Treasury to the Freedom From Influence Fund under title III of the Empower Act of

2021 an amount equal to the amount of the assessments collected under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections of chapter 201 of title 18, United States Code, is amended by adding at the end the following:

''3015. Special assessments for Freedom From Influence Fund.''.

(b) ASSESSMENTS RELATING TO CIVIL PENALTIES.—

(1) IN GENERAL.—Chapter 97 of title 31, United States Code, is amended by adding at the end the following new section:

''§ 9706. Special assessments for Freedom From Influence Fund

''(a) ASSESSMENTS.—

''(1) CIVIL PENALTIES.—Any entity of the Federal Government which is authorized under any law, rule, or regulation to impose a civil penalty shall assess on each person, other than a natural person who is not a corporate officer or person with equivalent authority in any other organization, on whom such a penalty is imposed an amount equal to 4.75 percent of the amount of the penalty.

''(2) ADMINISTRATIVE PENALTIES.—Any entity of the Federal Government which is authorized under any law, rule, or regulation to impose an administrative penalty shall assess on each person, other than a natural person who is not a corporate officer or person with equivalent authority in any other organization, on whom such a penalty is imposed an amount equal to 4.75 percent of the amount of the penalty.

"(3) SETTLEMENTS.—Any entity of the Federal Government which is authorized under any law, rule, or regulation to enter into a settlement agreement or consent decree with any person, other than a natural person who is not a corporate officer or person with equivalent authority in any other organization, in satisfaction of any allegation of an action or omission by the person which would be subject to a civil penalty or administrative penalty shall assess on such person an amount equal to 4.75 percent of the amount of the settlement.

"(b) MANNER OF COLLECTION.—An amount assessed under subsection (a) shall be collected—

"(1) in the case of an amount assessed under paragraph (1) of such subsection, in the manner in which civil penalties are collected by the entity of the Federal Government involved;

"(2) in the case of an amount assessed under paragraph (2) of such subsection, in the manner in which administrative penalties are collected by the entity of the Federal Government involved; and

"(3) in the case of an amount assessed under paragraph (3) of such subsection, in the manner in which amounts are collected pursuant to settlement agreements or consent decrees entered into by the entity of the Federal Government involved.

"(c) TRANSFERS.—In a manner consistent with section 3302(b) of this title, there shall be transferred from the General Fund of the Treasury to the Freedom From Influence Fund under title III of the Empower Act of 2021 an amount equal to the amount of the assessments collected under this section.

"(d) EXCEPTION FOR PENALTIES AND SETTLEMENTS UNDER AUTHORITY OF THE INTERNAL REVENUE CODE OF 1986.—

"(1) IN GENERAL.—No assessment shall be made under subsection (a) with respect to any civil or administrative penalty imposed, or any settlement agreement or consent decree entered into, under the authority of the Internal Revenue Code of 1986.

"(2) CROSS REFERENCE.—For application of special assessments for the Freedom From Influence Fund with respect to certain penalties under the Internal Revenue Code of 1986, see section 6761 of the Internal Revenue Code of 1986.''.

(2) CLERICAL AMENDMENT.—The table of sections of chapter 97 of title 31, United States Code, is amended by adding at the end the following:

''9706. Special assessments for Freedom From Influence Fund.''.

(c) ASSESSMENTS RELATING TO CERTAIN PENALTIES UNDER THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Chapter 68 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

''Subchapter D—Special Assessments for Freedom From Influence Fund

''SEC. 6761. SPECIAL ASSESSMENTS FOR FREEDOM FROM INFLUENCE FUND.

''(a) IN GENERAL.—Each person required to pay a covered penalty shall pay an additional amount equal to 4.75 percent of the amount of such penalty.

''(b) COVERED PENALTY.—For purposes of this section, the term 'covered penalty' means any addition to tax, additional amount, penalty, or other liability provided under subchapter A or B.

''(c) EXCEPTION FOR CERTAIN INDIVIDUALS.—

''(1) IN GENERAL.—In the case of a taxpayer who is an individual, subsection (a) shall not apply to any covered penalty if such taxpayer is an exempt taxpayer for the taxable year for which such covered penalty is assessed.

"(2) EXEMPT TAXPAYER.—For purposes of this subsection, a taxpayer is an exempt taxpayer for any taxable year if the taxable income of such taxpayer for such taxable year does not exceed the dollar amount at which begins the highest rate bracket in effect under section 1 with respect to such taxpayer for such taxable year.

"(d) APPLICATION OF CERTAIN RULES.—Except as provided in subsection (e), the additional amount determined under subsection (a) shall be treated for purposes of this title in the same manner as the covered penalty to which such additional amount relates.

"(e) TRANSFER TO FREEDOM FROM INFLUENCE FUND.—The Secretary shall deposit any additional amount under subsection (a) in the General Fund of the Treasury and shall transfer from such General Fund to the Freedom From Influence Fund established under section title III of the Empower Act of 2021 an amount equal to the amounts so deposited (and, notwithstanding subsection (d), such additional amount shall not be the basis for any deposit, transfer, credit, appropriation, or any other payment, to any other trust fund or account). Rules similar to the rules of section 9601 shall apply for purposes of this subsection.''.

(2) CLERICAL AMENDMENT.—The table of subchapters for chapter 68 of such Code is amended by adding at the end the following new item:

''SUBCHAPTER D—SPECIAL ASSESSMENTS FOR FREEDOM FROM INFLUENCE FUND''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply with respect to convictions, agreements, and penalties which occur on or after the date of the enactment of this Act.

(2) ASSESSMENTS RELATING TO CERTAIN PENALTIES UNDER THE INTERNAL REVENUE CODE OF 1986.—The amendments made by subsection (c) shall apply to covered penalties assessed after the date of the enactment of this Act.

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided, this Act and the amendments made by this Act shall apply with respect to the Presidential election held in 2028 and each succeeding Presidential election, without regard to whether or not the Federal Election Commission has promulgated the final regulations necessary to carry out this

Act and the amendments made by this Act by the deadline set forth in subsection (b).

(b) DEADLINE FOR REGULATIONS.—Not later than June 30, 2026, the Federal Election Commission shall promulgate such regulations as may be necessary to carry out this Act and the amendments made by this Act.

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