

111TH CONGRESS
1ST SESSION

S. _____

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

Mr. DURBIN (for himself, _____) introduced the following bill; which was read twice and referred to the Committee on _____

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 2009”.

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 pursuant to a qualified contract with the
11 Government of the United States a tax equal to 0.25 per-
12 cent of the amount paid.

13 “(b) EXCEPTION.—Subsection (a) shall not apply to
14 between the Government of the United States and a State
15 or local government or a foreign nation.

16 “(c) QUALIFIED CONTRACT.—For purposes of this
17 section, the term ‘qualified contract’ means a contract for
18 property or services with a value in excess of \$10,000,000.

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

21 “(e) USE OF REVENUE GENERATED BY TAX.—It is
22 the sense of the Senate that amounts equivalent to the
23 revenue generated by the tax imposed under this chapter
24 should be appropriated for the financing a Fair Elections

1 Fund and used for the public financing of Senate elec-
2 tions.”.

3 (b) CONFORMING AMENDMENT.—The table of chap-
4 ter of the Internal Revenue Code of 1986 is amended by
5 inserting after the item relating to chapter 36 the fol-
6 lowing:

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

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