

FILE NUMBER: H.F. 2463
Version: As introduced

DATE: March 17, 2014

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Subject: Campaign finance; pre-tax corporate contributions prohibited

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Overview

This bill limits the ability of corporations and limited liability companies to make campaign contributions and independent expenditures, by requiring funds used for these purposes only come from funds required to be reported on an individual income tax return.

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- 1** **No pretax contributions.** In chapter 10A, provides that a corporation or limited liability company may only make campaign contributions or independent expenditures using funds that are required to be reported as income on an individual income tax return. Examples of the types of funds that would qualify are provided in the bill, including corporate dividends, salaries, wages, commissions, bonuses, and capital gains.

This restriction would apply to contributions and independent expenditures in federal, state, and local elections.

Because this restriction is contained in chapter 10A, it would be subject to oversight and enforcement by the Campaign Finance and Public Disclosure Board.

- 2** **Prohibition on pretax contributions.** In chapter 211B, provides that a corporation or limited liability company may only make campaign contributions or independent expenditures using funds that are required to be reported as income on an individual income tax return. Examples of the types of funds that would qualify are provided in the bill, including corporate dividends, salaries, wages, commissions, bonuses, and capital gains.

This restriction would apply to contributions and independent expenditures in federal, state,

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and local elections.

Because this restriction is contained in chapter 211B, the Fair Campaign Practices Act, it is subject to the penalties and remedies provided in that chapter, including a complaint process through the office of administrative hearings.