To amend the Internal Revenue Code of 1986 to require certain tax-exempt organizations to include on annual returns the names and addresses of substantial contributors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Tester (for himself, Mr. Wyden, Mr. Bennet, Mr. Carper, Mr. Whitehouse, Mr. Blumenthal, Mrs. Murray, Mr. Van Hollen, Mr. Merkley, Ms. Klobuchar, Ms. Hirono, Mr. King, Mr. Brown, Ms. Cortez Masto, Mr. Booker, Mr. Menendez, Mr. Casey, Ms. Warren, and Ms. Baldwin) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to require certain tax-exempt organizations to include on annual returns the names and addresses of substantial contributors, and for other purposes.

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

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Spotlight Act”.

SEC. 2. INCLUSION OF CONTRIBUTOR INFORMATION ON ANNUAL RETURNS OF CERTAIN ORGANIZATIONS.

(a) Repeal of Regulations.—The final regulations of the Department of the Treasury relating to guidance under section 6033 regarding the reporting requirements of exempt organizations (published at 85 Fed. Reg. 31959 (May 28, 2020)) shall have no force and effect.

(b) Inclusion of Contributor Information.—

(1) Social Welfare Organizations.—Section 6033(f)(1) of the Internal Revenue Code of 1986 is amended by inserting “(5),” after “paragraphs”.

(2) Labor Organizations and Business Leagues.—Section 6033 of such Code is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

“(o) Additional Requirements for Organizations Described in Subsections (c)(5) and (c)(6) of Section 501.—Every organization which is described in paragraph (5) or (6) of section 501(e) and which is subject to the requirements of subsection (a) shall include on the return required under subsection (a) the information referred to in subsection (b)(5).”
(3) Effective date.—The amendments made by this subsection shall apply to returns required to be filed for taxable years ending after the date of the enactment of this Act.

(c) Modification to discretionary exceptions.—Section 6033(a)(3)(B) of the Internal Revenue Code of 1986 is amended to read as follows:

“(B) Discretionary exceptions.—

“(i) In general.—Paragraph (1) shall not apply to any organization if the Secretary made a determination under this subparagraph before July 16, 2018, that such filing is not necessary to the efficient administration of the internal revenue laws.

“(ii) Recommendations for other exceptions.—The Secretary may recommend to Congress that Congress relieve any organization required under paragraph (1) to file an information return from filing such a return if the Secretary determines that such filing does not advance a national security, law enforcement, or tax administration purpose.”.