

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE RESOLUTION 1337

Sponsors: Representatives Allred; Baker, Brubaker, Clary, Dockham, Ellis, Gorman,
L. Johnson, Walker, and C. Wilson.

Referred to: Rules, Calendar, and Operations of the House.

July 14, 2003

1 A HOUSE RESOLUTION URGING CONGRESS TO ELIMINATE UNFAIR TAX
2 ADVANTAGES FOR CONGRESSIONAL CAMPAIGN COMMITTEES.

3 Whereas, section 527 of the Internal Revenue Code provides for the taxation
4 of income earned by political campaign committees; and

5 Whereas, the net income is taxable at the rate of thirty-five percent (35%),
6 which is the highest corporate income tax rate and, for most corporations, applies only
7 to net income above ten million dollars (\$10,000,000); and

8 Whereas, in section 527(h) of the Internal Revenue Code, Congress has
9 created a special exception to this tax for the principal campaign committees of
10 Congressional candidates, so that the first fifty thousand dollars (\$50,000) of their net
11 income is taxed at the lowest corporate income tax rate, fifteen percent (15%); and

12 Whereas, over fifty thousand dollars (\$50,000), the income of Congressional
13 campaign committees continues to benefit from special tax treatment, enjoying rates
14 below the rate paid by other political committees on the amount up to ten million dollars
15 (\$10,000,000); and

16 Whereas, this special treatment for Congressional candidates, which does not
17 extend to local, state, or other political candidates, is inequitable and without
18 justification; Now, therefore,

19 Be it resolved by the House of Representatives:

20 **SECTION 1.** The North Carolina House of Representatives requests our
21 elected representatives in the United States Congress to eliminate the unfair treatment of
22 local and state political candidates by repealing the special tax break for Congressional
23 candidates found in section 527(h) of the Internal Revenue Code and using the resulting
24 revenue gain to reduce the tax rate on political campaign committees in general, so that
25 all political campaign committees share an equal tax burden at a reasonable rate.

26 **SECTION 2.** The Principal Clerk shall transmit a certified copy of this
27 resolution to each member of North Carolina's Congressional delegation.

28 **SECTION 3.** This resolution is effective upon adoption.