



H.R. 9772, *Foreign Funding Transparency Act* **Rep. Schweikert (R-AZ)**

Background:

- Under current law, **tax-exempt (TE) organizations are not required to disclose** whether they have **received contributions from foreign nationals**.
 - Certain TE organizations are also able to donate to political action committees (PACs).
- However, under the Federal Election and Campaign Act (FECA), **foreign nationals are prohibited from donating money to political committees**.
 - Due to current laws and regulations, **there is no way to tell if a foreign national contributed to a TE organization** that subsequently donated to a PAC.
 - This lack of transparency surrounding which TE organizations receive contributions from foreign nationals presents issues in the enforceability of FECA – **potentially allowing foreign donations to enter the U.S. political landscape**.

H.R. 9772, *Foreign Funding Transparency Act*:

- Requires **TE organizations to collect and report to the IRS** the aggregate amount of **donations received from foreign nationals**.
- TE organizations will also be required to include in a separate line item to identify the **aggregate amount of donations** received specifically **from those foreign nationals who are from a foreign country of concern**.
 - For the purposes of this bill, a foreign country of concern is designated by the State Department under the CHIPS and Science Act of 2022.
 - List of foreign countries of concern currently includes China, North Korea, Russia, and Iran.
- **Covers dual citizenship** for purposes of identifying foreign nationals who are from a foreign country of concern to ensure accurate reporting.
 - TE organizations will collect data for each country in which the foreign national is a citizen.
 - If a foreign national maintains citizenship in a foreign entity of concern and obtains citizenship in an unlisted country – both countries are required to be listed with the donation.