DESCRIPTION OF H.R. 9772, THE “FOREIGN FUNDING TRANSPARENCY ACT”

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on July 22, 2026

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup for July 22, 2026, of H.R. 9772, the "Foreign Funding Transparency Act." This document,[1] prepared by the staff of the Joint Committee on Taxation, provides a description of the mark.

[1] This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 9772, the "Foreign Funding Transparency Act"* (JCX-35-26), July 20, 2026. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references in the document are to the Internal Revenue Code of 1986, as amended (the "Code"), unless otherwise stated.

A. Annual Disclosure of Data on Contributions Received by Tax-Exempt Organizations from Foreign Sources

Form 990 reporting by tax-exempt organizations

A tax-exempt organization generally is required to file an annual information return with the Internal Revenue Service (the "IRS"). An organization that has not received a determination of its tax-exempt status, but that claims tax-exempt status under section 501(a), is subject to the same annual reporting requirements and exceptions as organizations that have received a formal determination.

In general, organizations described in section 501(c) and exempt from taxation under section 501(a) are required to file an annual return (Form 990 series), stating specifically the items of gross income, receipts, disbursements, and such other information as the Secretary of the Treasury (the "Secretary") may prescribe.[2] An organization that is required to file an information return, but that has gross receipts of less than $200,000 during its taxable year, and total assets of less than $500,000 at the end of its taxable year, may file Form 990-EZ. Section 501(c)(3) private foundations are required to file Form 990-PF rather than Form 990. Any organization that is subject to UBIT and that has $1,000 or more of gross unrelated business taxable income must also file Form 990-T (Exempt Organization Business Income Tax Return).[3]

On the applicable annual information return, organizations are required to report their gross income, information on their finances, functional expenses, compensation, activities, and other information required by the IRS to permit a review of the organization's activities and operations during the previous taxable year and to allow for review of whether the organization continues to meet the statutory requirements for exemption.

The requirement that an exempt organization file an annual information return (Form 990 or Form 990-EZ) does not apply to certain tax-exempt organizations, including organizations (other than private foundations) the gross receipts of which in each taxable year normally are not more than $50,000. Organizations that are excused from filing an information return by reason of normally having gross receipts below such amount must furnish to the Secretary an annual notice (Form 990-N), in electronic form, containing certain basic information about the organization.[4]

Other organizations exempt from the annual information return requirement include: churches, their integrated auxiliaries, and conventions or associations of churches; the exclusively religious activities of any religious order; certain State institutions whose income is excluded from gross income under section 115; an interchurch organization of local units of a church; certain mission societies; certain church-affiliated elementary and high schools; and

[2] Sec. 6033(a).

[3] Tax-exempt organizations also generally must file reports and returns applicable to taxable entities with respect to Social Security taxes and, in certain instances, Federal unemployment taxes.

[4] Sec. 6033(i).

certain other organizations, including some that the IRS has relieved from the filing requirement pursuant to its statutory discretionary authority.[5]

Description of Proposal

Under the proposal, a specified tax-exempt organization that is required to file with the IRS an annual information return under section 6033(a)(1) (generally, a Form 990 series return) must disclose certain information relating to contributions from foreign nationals in its annual return. A "specified tax-exempt organization" is an organization described in section 501(c) with respect to which either (1) the gross receipts of the organization for the preceding taxable year equal or exceed $200,000, or (2) the assets of the organization (determined as of the close of the preceding taxable year) equal or exceed $500,000.[6]

Specifically, a specified tax-exempt organization must report (1) the aggregate amount of contributions received from foreign nationals[7] during the taxable year; and (2) of the amount described in (1), the portion received from foreign nationals from each country of concern (stated separately with respect to each country of concern).[8] For this purpose, the foreign country with respect to which a contribution is received is: (1) in the case of a contribution made by an individual, each foreign country of which the individual is a citizen; and (2) in the case of any other contribution, the foreign country under the laws of which the person making the contribution was created or organized. In order to make this determination, an organization may rely on the representations of a donor as to the nationality of such donor unless the organization knows or should have known that the representation is false.

The proposal grants the Secretary authority to require specified tax-exempt organizations to collect information from foreign nationals who make contributions to such organizations at such time and in such manner as the Secretary determines appropriate for the purposes of this proposal.

Effective Date

The proposal is effective for returns filed for taxable years beginning after the date that is one year after the date of enactment.

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[5] Sec. 6033(a)(3)(A); Treas. Reg. secs. 1.6033-2(a)(2)(i) and (g)(1).

[6] Thus, based on the gross receipts and assets test, a specified tax-exempt organization would be ineligible to file a Form 990 EZ.

[7] As defined in section 319(b) of the Federal Election Campaign Act of 1971, Pub L. No. 92-225.

[8] As defined in section 10612 of the Research and Development, Competition, and Innovation Act, Pub. L. No. 117-167, determined as of the close of the taxable year.

B. Estimated Revenue Effects of the Proposal

The proposal is estimated to have a negligible effect on Federal fiscal year budget receipts over the 2027-2036 budget window.