

## **AMENDMENT 2823: ELIMINATE THE FINANCING OF PRESIDENTIAL ELECTION CAMPAIGNS AND PARTY CONVENTIONS IN ORDER TO OFFSET THE COST OF THE VETERANS JOB CORPS ACT**

Our nation's military veterans deserve our highest thanks for their defense of our nation. Ensuring our veterans have jobs when they come home is a worthy priority. Congress owes it to our nation's heroes to do the Veterans Jobs Corps program right. That starts with ensuring it is properly paid for.

The national debt just passed \$16 trillion. This debt is already burdening our economy and suppressing job creation. Passing the Veterans Jobs Corps Act without offsetting the new spending would only add to that problem, hurting the ones we intend to help and passing more of our unpaid bills to our children and grandchildren.

In order to offset the cost of the Veterans Job Corps Act, this amendment would eliminate taxpayer financing of presidential election campaigns and party conventions through the Presidential Election Campaign Fund (PECF). The Congressional Budget Office (CBO) estimates that ending funding for the PECF would save taxpayers at least \$617 million over the next ten years.<sup>1</sup>

Providing jobs for veterans is a more worthy priority than helping politicians get elected. In addition, the Presidential Election Campaign Fund (PECF) is a broken, increasingly irrelevant system. This amendment would end funding for this low-priority expenditure and instead help pay for the Veterans Jobs Corps Act.

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<sup>1</sup> "H.R. 359 a bill to reduce federal spending and the deficit by terminating taxpayer financing of Presidential election campaigns and party conventions," Congressional Budget Office, January 24, 2011, <http://www.cbo.gov/ftpdocs/120xx/doc12049/hr359.pdf>.

## THE PECF IS INCREASINGLY IRRELEVANT TO TODAY'S PRESIDENTIAL ELECTIONS

Over the last 30 years, PECF participation has dropped from 28 percent to 7 percent. According to the Congressional Research Service (CRS), “Taxpayer participation has never been particularly strong. Even at the height of the program’s popularity more than a quarter-century ago, less than one-third of taxpayers chose to support presidential public financing.”<sup>2</sup> In 2009, taxpayer participation reached a low of 7.3 percent, and has changed little since that time.

A Congressional Research Service report states, “The principal justification behind presidential public financing has been to reduce the need for private money in politics.”<sup>3</sup> This system, however, has clearly failed to reduce the role of private money in the electoral process. According to the Federal Election Commission, “The Obama campaign’s total receipts of \$745.7 million for the 2008 election are equivalent to more than half of the \$1.49 billion provided in public funds to all presidential candidates, parties, and conventions since the inception of the public funding program.”<sup>4</sup> In 2012, neither candidate has opted to receive PECF funding for their general election campaigns.

CRS notes, “Some observers have suggested that then-Senator Obama’s decision to opt out of public financing, combined with the other challenges...marks the death knell of the program.”<sup>5</sup>

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<sup>2</sup> <http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34534&Source=search>

<sup>3</sup> “Public Financing of Presidential Campaigns,” Congressional Research Service, Garrett, Sam, January 28, 2011, <http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34534&Source=search> .

<sup>4</sup> “2008 Presidential Campaign Financial Activity Summarized: Receipts Nearly Double 2004 Total,” Federal Election Commission, June 8, 2009, <http://www.fec.gov/press/press2009/20090608PresStat.shtml>.

<sup>5</sup> <http://www.crs.gov/Products/R/PDF/R41542.pdf>

## **THE PECF FUNDS WEEKLONG PARTIES FOR POLITICIANS**

Through the PECF, political parties received a \$36.6 million check (\$18.3 million per party) from taxpayers to pay for the costs of the political conventions this summer.

Besides funding the event itself, the money is used to pay for entertainment, catering, transportation, hotel costs, “production of candidate biographical films,” and a variety of other expenses. According to the Congressional Research Service (CRS), “Federal law places relatively few restrictions on how PECF convention funds are spent, as long as purchases are lawful and are used to ‘defray expenses incurred with respect to a presidential nominating convention.’”

## **THE PECF ADDS TO THE DEFICIT—ITS COST IS NOT COVERED BY EXTRA TAXPAYER CONTRIBUTIONS**

- Federal funds that are used to pay for the political nominating conventions come from the Presidential Election Campaign Fund (PECF). The PECF is funded by a voluntary checkoff on tax returns. Individuals may elect to send \$3 of their tax bill to the fund rather than the general treasury, and married couples filing jointly may send \$6.
- According to the Federal Election Commission, “The checkoff neither increases the amount of taxes owed nor decreases any refund due for the tax year in which the checkoff is made.”<sup>6</sup> The following is copied from the 2011 IRS Form 1040.<sup>7</sup>

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<sup>6</sup> Public Funding of Presidential Elections, Federal Election Commission, updated February 2012, <http://www.fec.gov/pages/brochures/pubfund.shtml>

<sup>7</sup> 1040 U.S. Individual Income Tax Return, Internal Revenue Service, 2011, <http://www.irs.gov/pub/irs-pdf/f1040.pdf>

### **Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

**You**

**Spouse**

- The Congressional Research Service notes the following:

“Although taxpayers may believe that how they answer the checkoff question affects the amount of tax they owe or the refund they receive, ‘[d]esignating the allowed amount does not affect the amount of an individual’s tax liability or tax refund; it simply directs the Treasury Department to allocate a specific amount from general revenues to the PECF.’...In short, participating (or not) in the checkoff designation does not affect a taxpayer’s liability or refund. Rather, it allows taxpayers to direct a small portion of the taxes they pay to the PECF instead of the Treasury’s general fund.”<sup>8</sup>

- Any expenditures from the PECF, therefore, are not funded by extra contributions from the taxpayers. They are funded by revenue that has been diverted from the general fund. The PECF therefore contributes to the deficit.

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<sup>8</sup> “Public Financing of Presidential Campaigns: Overview and Analysis,” R. Sam Garret, Congressional Research Service, December 5, 2011, <http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34534&Source=search>