

119TH CONGRESS
1ST SESSION

S. 1428

To amend title 1, United States Code, to clarify that certain tax exemptions are not treated as Federal financial assistance.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2025

Mr. LANKFORD (for himself, Mr. LEE, Mr. HAWLEY, and Mr. BUDD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 1, United States Code, to clarify that certain tax exemptions are not treated as Federal financial assistance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safeguarding Charity
5 Act”.

1 **SEC. 2. FEDERAL FINANCIAL ASSISTANCE NOT TO INCLUDE**
 2 **CERTAIN TAX BENEFITS.**

3 (a) IN GENERAL.—Chapter 1 of title 1, United
 4 States Code, is amended by adding at the end the fol-
 5 lowing new section:

6 **“SEC. 9. FEDERAL FINANCIAL ASSISTANCE.**

7 “In the case of any organization described in sub-
 8 section (c) or (d) of section 501 of the Internal Revenue
 9 Code of 1986 or any organization described in section
 10 401(a) of such Code, for purposes of any Federal law,
 11 rule, or regulation, unless explicitly provided otherwise,
 12 the term ‘Federal financial assistance,’ or any other term
 13 referring to assistance provided by the Federal govern-
 14 ment, shall not include any exemption from Federal in-
 15 come tax.”.

16 (b) CLERICAL AMENDMENT.—The table of contents
 17 for chapter 1 of title 1, United States Code, is amended
 18 by adding at the end the following new item:

“9. Federal financial assistance.”.

19 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
 20 tion or the amendments made by this section shall be con-
 21 strued to imply that an exemption from Federal income
 22 taxes under section 501(a) of the Internal Revenue Code
 23 of 1986 constituted assistance from the Federal govern-

1 ment for periods before the date of the enactment of this
2 Act.

