

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to prohibit certain foreign  
nationals from serving on the board of directors of tax-exempt organizations.

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IN THE SENATE OF THE UNITED STATES

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Mr. COTTON introduced the following bill; which was read twice and referred  
to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to prohibit  
certain foreign nationals from serving on the board of  
directors of tax-exempt organizations.

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. PROHIBITION ON CERTAIN FOREIGN NATION-**  
4       **ALS SERVING TAX-EXEMPT ORGANIZATIONS.**

5       (a) IN GENERAL.—Section 501 of the Internal Rev-  
6       enue Code of 1986 is amended by adding at the end the  
7       following new subsection:

8       “(s) PROHIBITION ON CITIZENS OF COVERED NA-  
9       TIONS SERVING CERTAIN ORGANIZATIONS.—

1           “(1) IN GENERAL.—Any organization to which  
2           this subsection applies shall not be treated as ex-  
3           empt from tax if any member of the board of direc-  
4           tors (or similar governing body) of such organization  
5           is a citizen or national of a covered nation (as de-  
6           fined in section 7701(a)(51)(I)(ii)).

7           “(2) ORGANIZATIONS TO WHICH THIS SUB-  
8           SECTION APPLIES.—This subsection shall apply to—

9                   “(A) any organization described in sub-  
10                  section (c)(3) (other than a church or conven-  
11                  tion or association of churches),

12                  “(B) any organization described in sub-  
13                  section (c)(4), and

14                  “(C) any organization described in sub-  
15                  section (c)(6).”.

16           (b) EFFECTIVE DATE.—The amendment made by  
17           this section shall apply to taxable years beginning after  
18           the date of the enactment of this Act.

19           (c)