

Amendment 2214 – To End Taxpayer Subsidies for Party Conventions

Members of Congress are debating fewer bills, casting fewer votes, and holding fewer hearings. Meanwhile, important government agencies including the Department of Defense and the Government Accountability Office (GAO) are being targeted by Congress for spending reductions.

What Congress has not considered cutting is the budget for its own summertime parties.

This bipartisan amendment would eliminate taxpayer subsidies for political party conventions in the elections occurring after December 31, 2012. Additionally, the bill would allow Presidential Election Campaign Fund (PECF) money disbursed before December 31, 2012, to be returned to the U.S. Treasury for the purpose of deficit reduction.

Politicians Partying on the Taxpayer Dime

Despite our \$15.7 trillion national debt, political parties received a \$36.6 million check (\$18.3 million per party) from taxpayers to pay for the costs of political conventions occurring this summer. The funds that are used to cover the conventions come from the PECF.

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.’”¹ The money is, after all, essentially being used to throw a party.

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.² These events will be weeklong parties paid for by taxpayers, much like the highly maligned General Services Administration (GSA) conference in Las Vegas.

¹ “Federal Funding for 2012 Presidential Nominating Conventions, *Congressional Research Service*, October 21, 2011, report provided to office of Senator Coburn, page 2.

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According to the Federal Election Commission (FEC) data, more than \$200 million in federal funds has gone toward party conventions between 1976 and 2012.³

Party Convention Disbursements (1976-2012)	
Republican	\$106,815,236
Democratic	\$100,818,889
Other (Reform Party, 2000)	\$2,522,690
Total	\$220,156,815

The Party's Over

It seems only fair if Congress is telling federal agencies to reduce conference spending, politicians should stop allocating taxpayer money for partisan political events.

Senator Mark Udall (D-CO) echoed this point when he said the following:

“Over the past several decades, political party nominating conventions have become elaborate celebrations devoted to partisanship. The American taxpayer should not be responsible for footing the bill for these partisan events.”

With a languishing recovery and unsustainable debt, there is no justification for spending public funds on booze, balloons and confetti. Passing this common sense legislation will demonstrate once and for all the party is over when it comes to travel and meetings paid for by the taxpayers.

Background about the President Election Campaign Fund (PECF) Checkoff

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

³ Email from the Congressional Research Service to Senator Coburn's office, June 6, 2012. Note: This amount has not been adjusted for inflation.

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.”⁴ The following is copied from the 2011 IRS Form 1040.⁵

<p style="text-align: center;">Presidential Election Campaign</p> <p>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.</p> <p style="text-align: center;"><input type="checkbox"/> You <input type="checkbox"/> Spouse</p>

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.”⁶

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.

⁴ Public Funding of Presidential Elections, Federal Election Commission, updated February 2012, <http://www.fec.gov/pages/brochures/pubfund.shtml>

⁵ 1040 U.S. Individual Income Tax Return, Internal Revenue Service, 2011, <http://www.irs.gov/pub/irs-pdf/f1040.pdf>

⁶ “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>



BY THE NUMBERS: 2008 Presidential Nominating Conventions Spending

Republican National Convention Committee: Examples of Expenditures

\$3,369 – Communications Consultant Expense

\$3,953 – Floral Arrangement for Convention

\$4,951 – Photography Services

\$6,209 – Promotional Items-Gift Bags

\$13,864 – Banners

\$53,805 – Film Production

\$437,485 – Airfare

\$679,110 – Catering

\$885,279 – Lodging

\$2,313,750 – Payroll

Source: Data provided by the Federal Election Commission (FEC). To view the Excel spreadsheets prepared by the FEC click [here](#).





BY THE NUMBERS: 2008 Presidential Nominating Conventions Spending

Democratic National Convention Committee: Examples of Expenditures

- \$2,500 – Entertainment Cost**
- \$3,320 – Makeup Artist Consultant**
- \$14,494 – Gifts/Trinkets**
- \$49,122 – Photography**
- \$140,560 – Production: Podium**
- \$288,561 – Production Music**
- \$374,598 – Political Consulting Fees**
- \$942,629 – Catering**
- \$955,951 – Travel - Expense**
- \$3,732,494 – Salaries**

Source: Data provided by the Federal Election Commission (FEC). To view the Excel spreadsheets prepared by the FEC [click here](#).



Studies Suggest Between 75 and 80 Percent of Funding Related to the Nominating Conventions Already Comes from Nonfederal Sources

Critics of this legislation will argue public funding for nominating celebrations helps protect them from the influence of private money. The PECF system, however, has clearly failed to eliminate the role of nonfederal money in the conventions.

According to the Congressional Research Service:

- “Although convention committees may not accept private funds (other than certain amounts to offset legal and accounting needs), local “host committees” may solicit and spend private contributions for activities related to the convention, such as “use of an auditorium or convention center,” promoting the convention city, and hosting receptions or tours for attendees.”⁷
- “The Campaign Finance Institute has estimated that more than 75% of money related to the 2004 Democratic and Republican conventions came from private sources.”⁸
- “The 2008 conventions also appear to have been heavily subsidized, albeit indirectly, by nonfederal funds. In August 2008, CFI and the Center for Responsive Politics estimated that 80% of funds for the 2008 Democratic and Republican conventions would come from private (nonfederal) sources.”⁹

⁷ “Federal Funding of Presidential Nominating Conventions: Overview and Policy Options,” R. Sam Garrett, Congressional Research Service, December 8, 2011,

http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34630&Source=search#_Toc311116831

⁸ “Federal Funding of Presidential Nominating Conventions: Overview and Policy Options,” R. Sam Garrett, Congressional Research Service, December 8, 2011,

http://www.crs.gov/pages/Reports.aspx?PRODCODE=RL34630&Source=search#_Toc311116831

⁹ “Federal Funding of Presidential Nominating Conventions: Overview and Policy Options,” R. Sam Garrett, Congressional Research Service, December 8, 2011,

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