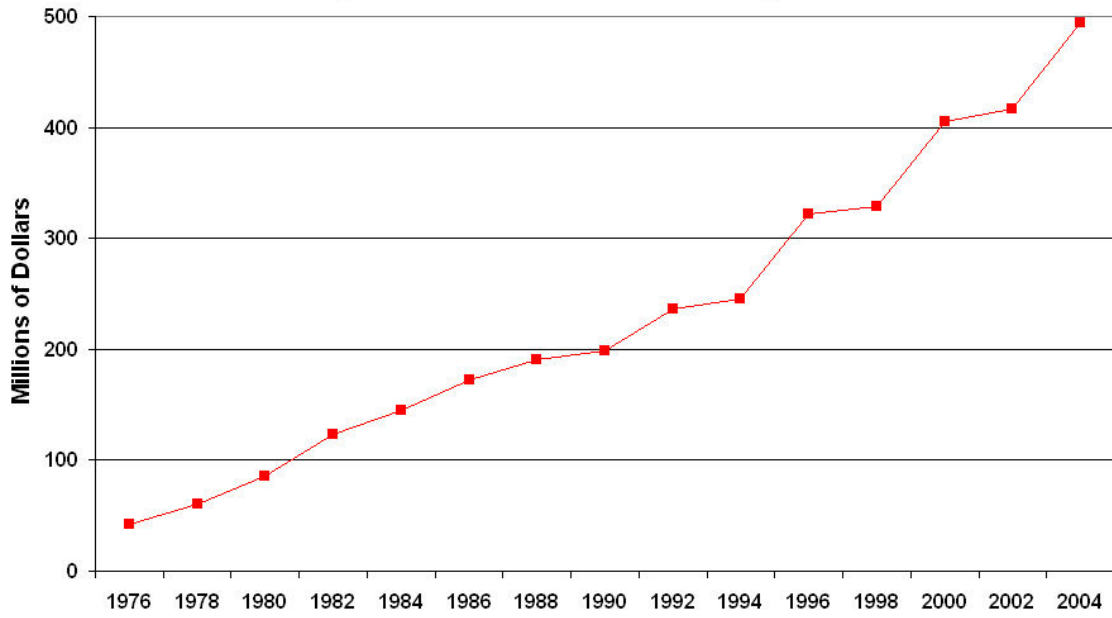


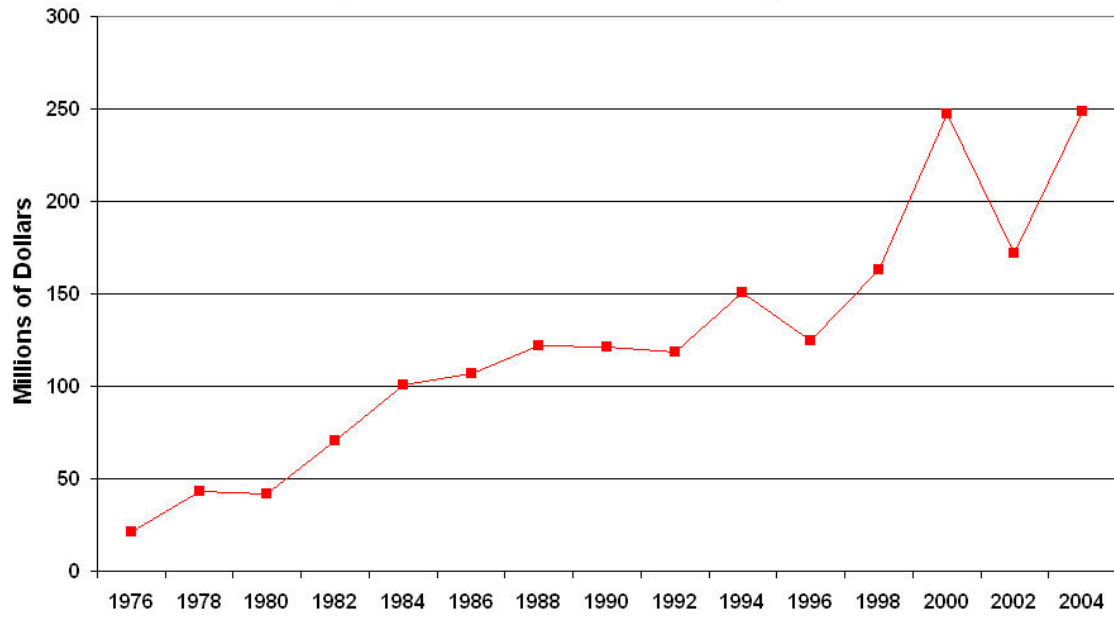
## History of Limitations on Campaign Contributions

- 1907 Tillman Act banned direct campaign contributions from Corporations
- 1947 Taft-Hartley Act banned direct campaign contributions from Labor Unions
- 1950s - 1960s -- Labor Unions formed **Political Action Committees** (PACs). The first was COPE -- Committee on Political Education by the AFL-CIO.
- 1971 -- Federal Election Campaign Act (FECA) and the 1972 Court decision *Pipefitters Local # 562 v. U.S.* legalized PACs
- 1974 -- FECA Amended in response to Watergate Abuses
- 1976 -- *Buckley vs. Valeo* -- Supreme Court Strikes down many provisions of FECA
- 1979 -- Amendment to FECA allowed Party Committees to accept and spend unlimited amounts of money during election campaigns for "getting out the vote" efforts or voter registration drives.
- 1995 -- Parties Permitted to make Independent Expenditures
- 2002 -- McCain Feingold Reforms
- 2004 -- Rise of the 527 Groups

**Campaign Spending by Winning House  
Candidates: 1976 - 2004  
(In Millions of Current Dollars)**



**Campaign Spending by Winning Senate  
Candidates: 1976 - 2004  
(In Millions of Current Dollars)**



## McCain-Feingold -- Contribution Limits

Table 5-1 Federal Contribution Limits to Congressional Candidates and Political Parties

Donors or Spenders	House Candidates	Senate Candidates	National Party Committees	State Party Committees' Federal Accounts	Federal PACs
Individuals	\$2,000	\$2,000	\$25,000 per year	\$10,000 per year	\$5,000 per year
National party committees	\$15,000	\$35,000	Unlimited transfers to other party committees	Unlimited transfers to other party committees	\$5,000 per year
State party committees' federal accounts	\$5,000	\$5,000	Unlimited transfers to other party committees	Unlimited transfers to other party committees	\$5,000 per year
Federal PACs	\$5,000	\$5,000 per year	\$15,000 per year	\$5,000 per year	\$5,000 per year
Corporations and unions	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
Section 527 committees	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited
501 (c)(4s) and 501 (c)(6s) and nonprofit social welfare organizations	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited

Source: Adapted from Federal Election Commission, "Contribution Limits" ([www.fec.gov/pages/brochures/contrib.htm](http://www.fec.gov/pages/brochures/contrib.htm)) and Campaign Legal Center, "The Campaign Finance Guide" (Washington, D.C., 2004).

Notes: Individuals may give a contribution of \$2,000 in each phase of the election (primary, general, and runoff). They are limited to a biennial contribution of \$95,000 (\$37,500 to all federal candidates and \$57,500 to all party committees and PACs). The limits for individual contributions to candidates, national party committees, the biennial individual limit, and the national party committee limit for contributions to Senate candidates are indexed for inflation. In the event the millionaire's amendment is triggered, the limits for individual contributions increase. The parties' national, congressional, and senatorial campaign committees are considered separate committees when making contributions to House candidates, so they can contribute up to \$5,000 each, for a total of \$15,000.

## McCain-Feingold -- Spending Limits

Table 5-2 Federal Spending Limits in Congressional Elections

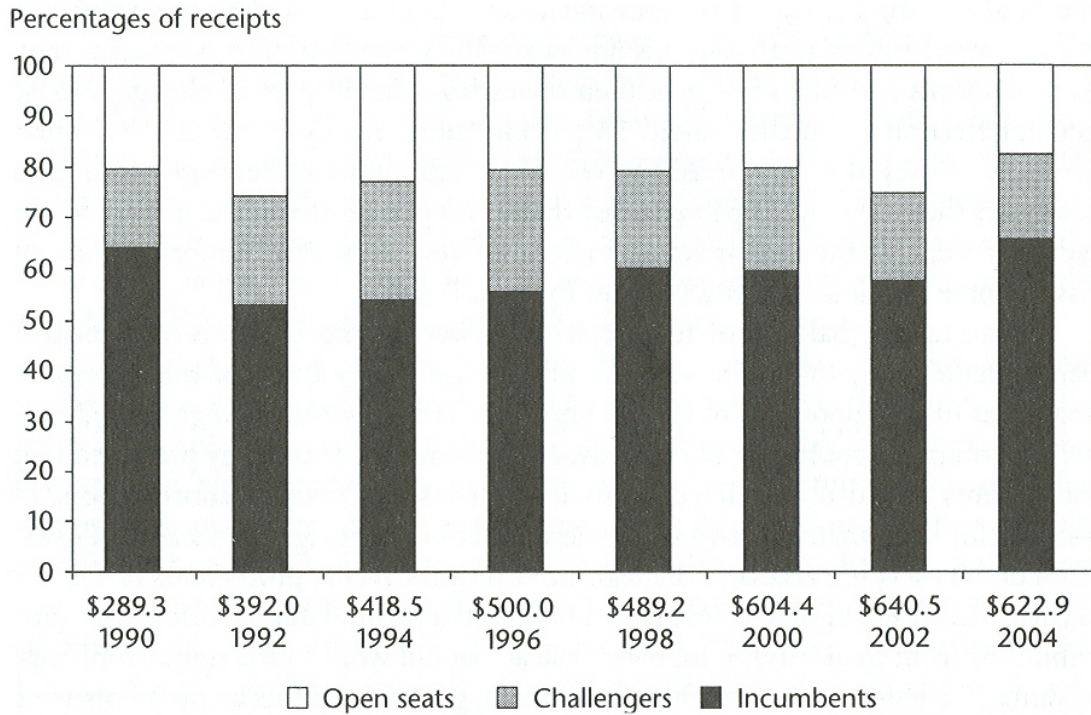
	Coordinated Expenditures on Behalf of Candidates		Other Expenditures		
	House Candidates	Senate Candidates	Independent Expenditures	Electioneering Communications	"Levin" Accounts
Individuals	Considered a contribution	Considered a contribution	Unlimited	Unlimited	Whatever state law permits, up to \$10,000
National party committees	\$10,000	\$20,000 or \$.02 times a state's voting age population, whichever is greater	Unlimited	Unlimited	Prohibited
State party committees' federal accounts	\$10,000	\$20,000 or \$.02 times a state's voting age population, whichever is greater	Unlimited	Unlimited	Prohibited
Federal PACs	Considered a contribution	Considered a contribution	Unlimited	Unlimited	Whatever state law permits, up to \$10,000
Corporations and unions	Prohibited	Prohibited	Prohibited	Prohibited	Whatever state law permits, up to \$10,000
Section 527 committees	Prohibited	Prohibited	Prohibited if committee is incorporated	Prohibited if committee is incorporated. If not incorporated, unlimited	Whatever state law permits, up to \$10,000
501 (c)(4s), 501 (c)(6s), and nonprofit social welfare organizations	Prohibited	Prohibited	Prohibited except for qualifying 501(c)(4) and nonprofit social welfare organizations	Prohibited except for qualifying 501(c)(4) and nonprofit social welfare organizations	\$10,000 if permitted by state law

Source: Adapted from Federal Election Commission, "Contribution Limits" ([www.fec.gov/pages/brochures/contrib.htm](http://www.fec.gov/pages/brochures/contrib.htm)) and Campaign Legal Center, "The Campaign Finance Guide" (Washington, D.C., 2004).

Notes: The limits for coordinated expenditures in House and Senate elections are indexed for inflation. The limit for House elections in 2004 was \$37,310 each for all national party committees and for state party committees, except for states with only one representative, in which case the limit was \$74,620. The limit for Senate elections in 2004 ranged from \$74,620 for all national party committees and for state party committees for the smallest states to \$1,994,846 for all national party committees and for state party committees in California. In the event the millionaire's provision is triggered, the limits for coordinated expenditures in both House and Senate elections increase.

## McCain-Feingold -- Impact on Open-Seat Candidate Receipts

**Figure 5-1** The Impact of BCRA on House Incumbent, Challenger, and Open-Seat Candidates' Receipts

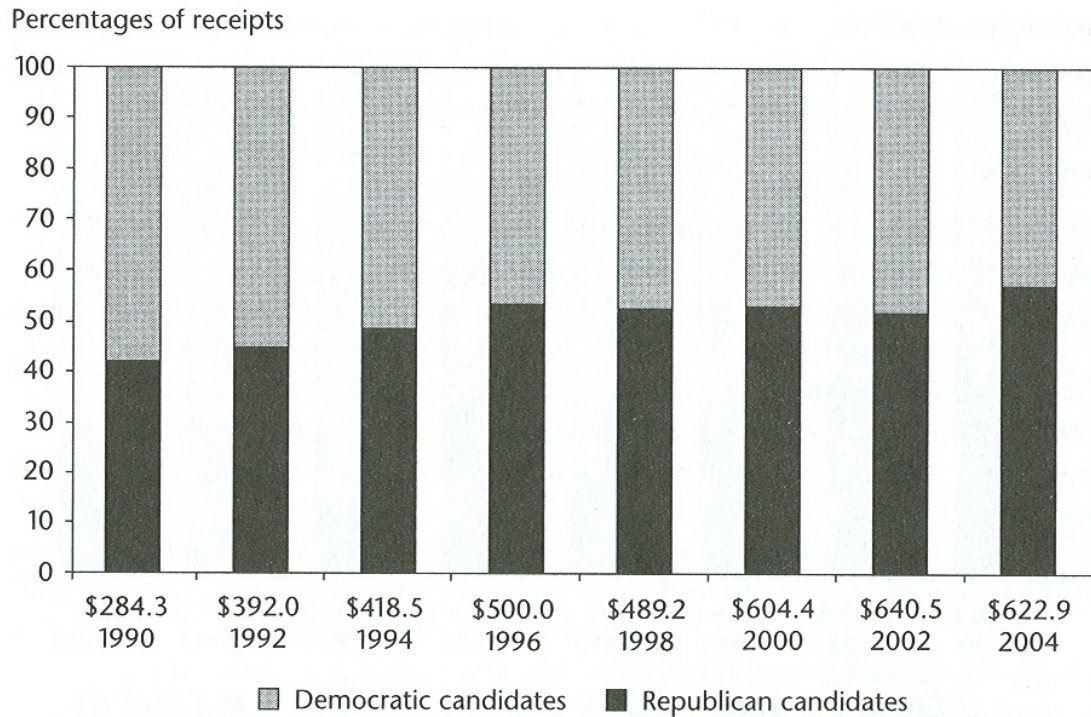


Source: Compiled from Federal Election Commission data.

Notes: Figures are in millions of dollars. Figures for the 2004 cycle are preliminary and only include contributions made from January 1, 2003, through October 13, 2004.

## McCain-Feingold -- Impact on Democrat/Republican Candidate Receipts

Figure 5-2 The Impact of BCRA on House Democratic and Republican Candidates' Receipts

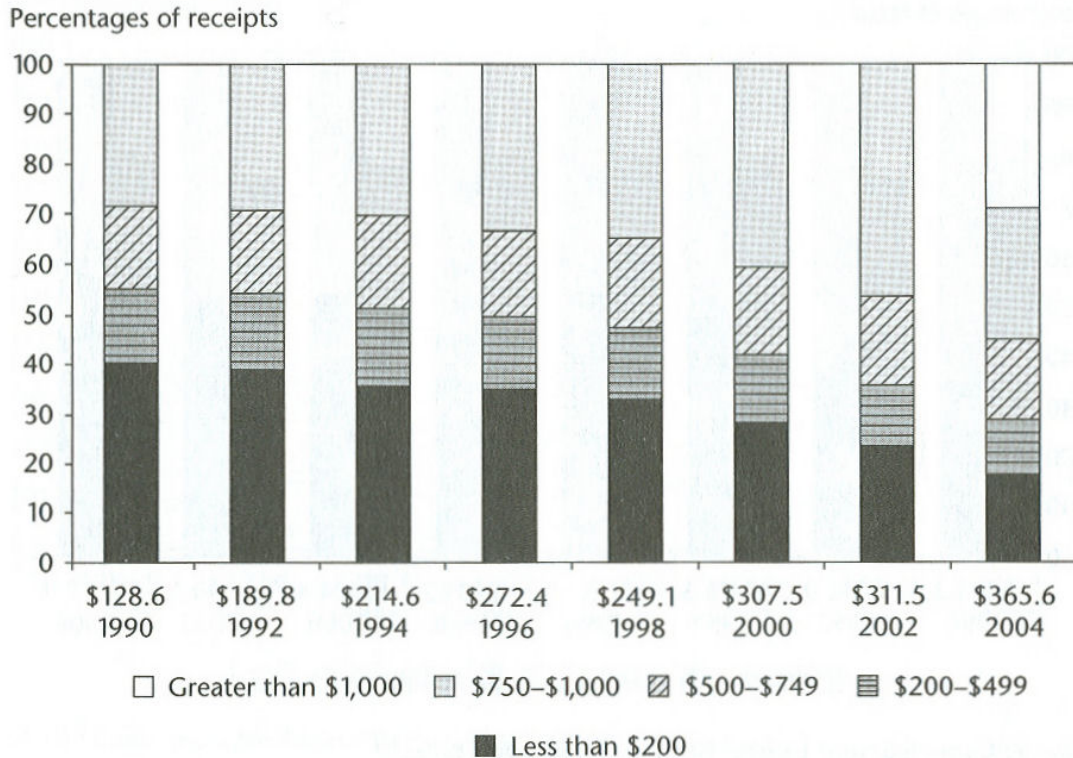


Source: Compiled from Federal Election Commission data.

Notes: Figures are in millions of dollars. Figures for the 2004 cycle are preliminary and only include contributions made from January 1, 2003, through October 13, 2004.

## McCain-Feingold -- Impact on Individual Contributions to House Candidates

**Figure 5-3** The Impact of BCRA on Individual Contributions to House Candidates



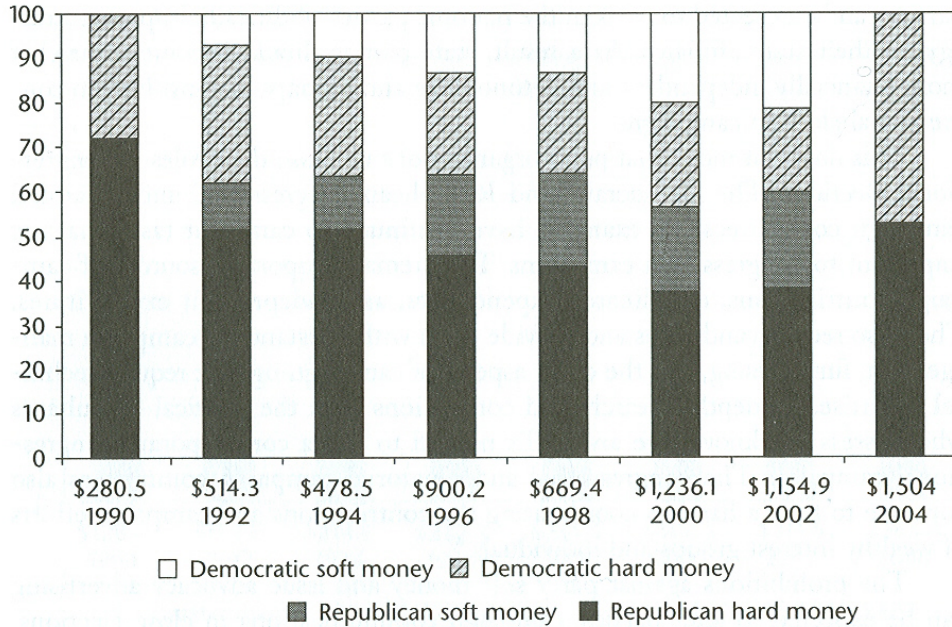
Source: Compiled from Federal Election Commission data.

Notes: Figures are in millions of dollars and do not include third-party candidates. Figures for the 2004 cycle are preliminary and only include contributions made from January 1, 2003, through October 13, 2004.

# McCain-Feingold -- Impact on Party Fund Raising

**Figure 5-4** The Impact of BCRA on Party Fund Raising

Percentages of receipts



Source: Compiled from Federal Election Commission data.

Notes: Figures are in millions of dollars and represent the combination of federal and non-federal receipts. The FEC did not start keeping records of nonfederal receipts until the 1992 election. The 1990 and 2004 figures are for federal money only. The 2004 figures only include receipts from January 1, 2003, through November 22, 2004.

## Stewart Figure 6.9 -- Why Incumbents Love the System (even after McCain-Feingold)

FIGURE 6.9  
Campaign Spending and the Vote in House Races  
in 1996

