

# Certain Payments from the Presidential Election Campaign Fund

## Notice 96-13

This notice announces a change that will be made to the Presidential Election Campaign Fund Regulations for certain payments made to Presidential primary candidates from that Fund.

Section 9006(a) of the Internal Revenue Code established the Presidential Election Campaign Fund (Fund) on the books of the U.S. Treasury. Section 9006(a) requires the Secretary of the Treasury (Secretary) to transfer to the Fund from time to time an amount equal to the individual taxpayer desig-

nations for the Fund under section 6096.

Section 701.9006-1(a) of the Presidential Election Campaign Fund Regulations requires the Secretary to determine the amounts designated by individuals for the Fund at least once a month.

Section 9037(a) requires the Secretary to maintain within the Fund a separate account known as the Presidential Primary Matching Payment Account (Account). The Secretary is required to deposit into the Account amounts from the Fund after determining that certain other amounts are available and set aside for certain other payments. The amounts in the Account are for Presidential primary candidates who are certified for payments by the Federal Election Commission (Commission).

Section 702.9037-2(a) provides that, except as provided in section 702.9037-2(c), promptly after the end of each calendar month, but not before the beginning of the calendar year of a Presidential election, the Secretary shall pay the amounts certified by the Commission in the preceding calendar

month from the Account to the primary candidates.

Section 702.9037-2(c) provides that if the amount certified by the Commission for primary candidates in a calendar month exceeds the balance in the Account on the last day of the calendar month, the amount paid to a candidate for that month from the Account is determined by multiplying the amount certified by the Commission for the candidate during that month by the ratio of the balance in the Account on the last day of the calendar month over the total amount certified by the Commission for all the candidates during that month. Any amount certified by the Commission, but not paid to a candidate because of the operation of this shortfall rule, is treated as an amount certified by the Commission for that candidate during the succeeding calendar month. Section 702.9037-2(d) provides an example illustrating the shortfall rule of section 702.9037-2(c).

To provide additional payments from the Account to certified primary candidates in a more timely manner when

the Account is in a shortfall position, Part 702 of the regulations will be amplified. The revised regulations will require the Secretary to make an additional payment between regular payment dates promptly after funds are available. Such payment will be determined by multiplying the amount certified by the Commission for the candidate in month 1 by the ratio of the balance in the Account (but not to exceed the shortfall) on the 15th day of month 2 (or the first business day thereafter if the 15th is not a business day) over the total amount certified by the Commission for all the candidates in month 1.

The effective date of these amendments to the regulations will be February 2, 1996.

#### DRAFTING INFORMATION

The principal author of this notice is Joel Rutstein of the Office of the Associate Chief Counsel (Domestic). For further information regarding this notice contact Mr. Rutstein on (202) 622-4530 (not a toll-free call).