



May 10, 2021

To: Members of the Senate Committee on Rules and Administration

From: Thomas Aiello, Director of Federal Affairs, National Taxpayers Union

Re: NTU's views on May 11, 2021 Committee Markup

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our strong opposition to S. 1, the For the People Act, in its current form, and urge you to vote "no" during the May 11 markup session. As explained in the comments below, this legislation presents a series of challenges that would burden taxpayers and undermine free speech in the electoral process. It is not an understatement to say enactment of this legislation would radically overhaul our nation's election laws for the specific purpose of benefiting one political party. For these reasons, as well as reasons described below, we urge you to stand with taxpayers by rejecting passage of S.1.

S. 1, the For the People Act of 2021: The cornerstone of our democracy is the promise of free and fair elections, coupled with the unabridged freedoms guaranteed by the Constitution. NTU strongly believes these pillars of liberty are essential to ensuring the United States remains free and prosperous for generations to come. It is therefore concerning that this committee is following in the footsteps of the U.S. House of Representatives by passing the For the People Act. In our view, this legislation would undermine these freedoms, fail to address serious issues that exist in our election system, and use the heavy hand of the federal government to control most aspects of the election process, which are properly under the jurisdiction of state governments. Our founders were wary of large-scale federal involvement, which led to the decentralized federalist system that exists today.

Many lawmakers have praised the For the People Act because it's intended to increase election transparency to "[restore the public's trust in government](#)." While S. 1 masquerades as a comprehensive ethics reform bill, in reality, S.1 is far from fair: it is an unreasonable and potentially unconstitutional federal hijacking of the American electoral system. Its enactment would stifle free speech, force taxpayers to subsidize public elections, and severely threaten the viability of 501(c)(4) tax-exempt organizations.

As a nonpartisan 501(c)(4) advocacy organization, NTU would be particularly disadvantaged by this proposed system's heavy-handed regulations. Although there are several components of S.1 that are extremely concerning, perhaps the most troubling provisions are contained in Division B, known as the DISCLOSE Act. This would require our organization to divulge the names and addresses of many individuals who freely choose to support our organization. Their information would be held forever in a publicly available government database. Taxpayers, and indeed all Americans, have a constitutionally guaranteed right to privacy, and a violation of this sacred right could suppress political speech. Ironically, S.1 justifies many of our supporters'

fears about political retaliation if their membership details were to be divulged simply based on the groups they choose to support.

S.1 would also force taxpayers to finance the political campaigns of Congressional candidates and those running for the presidency. Taxpayers would provide a 6-to-1 contribution match to every participating campaign, meaning for each dollar a candidate raises from donations, taxpayers would match it six times over. However, the maximum donation that could be matched would be capped at \$200. Under this system, candidates outside the mainstream on the far right and far left could be given large sums of money to appeal to fringe groups of voters.

From a fiscal perspective, the budgetary implications of the For the People Act are also significant, according to the Congressional Budget Office and NTU's research arm, NTU Foundation. [According to NTUF](#), this bill would “increase spending by \$2.2 billion over ten years while increasing a mix of fines and tax revenues by \$3.2 billion. But that estimate only examined the direct spending and revenue provisions included in the proposal. There is at least \$5.4 billion in additional spending just through FY 2026 that would add to the net deficit impact.”

S.1 also features a slew of similarly ill-devised provisions that will leave taxpayers' heads spinning. Anyone who provides “political counseling services” would be required to register as a federal lobbyist. Any American exercising their right to express their views on particular legislation could face new burdensome regulations. This system is hardly fair. Further, S.1 includes language that requires social media companies to disclose the source of money for political ads run on their platforms, as well as the cost to run such ads. This is a new standard that advertisements on traditional platforms, such as television and radio, do not have to meet.

Thankfully, many organizations have rightly come out opposed to this radical legislation, and opposition runs across the political spectrum. Groups like the American Civil Liberties Union and the Chamber of Commerce oppose the For the People Act. Additionally, a coalition of 36 free market, taxpayer advocacy groups [signed a letter](#) highlighting why H.R. 1/S.1 is dangerous and extremely bad policy.

Despite its compelling title, S.1 would greatly harm the ability of taxpayers to freely write, promote, and organize to advocate for better government. Some reforms are absolutely necessary to ensure transparency and accountability during the election process, but the framework proposed in this legislation is simply unworkable and unnecessary. For the aforementioned reasons, NTU stands opposed to S.1, the For the People Act and urges you to oppose its passage out of the Senate Committee on Rules and Administration.

NTU appreciates the Committee's consideration of our views on this important matter and we stand ready to work with you during the 117th Congress.