

**AMENDMENT TO THE  
SENATE AMENDMENT TO H.R. 1  
OFFERED BY MRS. TORRES OF CALIFORNIA**

In subtitle A of title VII, at the appropriate place,  
insert the following new sections:

1 **SEC. \_\_\_\_.** **NO POLITICAL PUNISHMENT OF DONOR**  
2 **STATES.**

3 (a) NO GENERAL PROHIBITIONS ON PROVIDING  
4 FEDERAL FUNDING.—Notwithstanding any other provi-  
5 sion of law, the President, or any other member of the  
6 executive branch, may not target a donor State by impos-  
7 ing a general prohibition on awarding a grant to, or enter-  
8 ing into a contract or other agreement with, the donor  
9 State (or a political subdivision of such donor State, or  
10 a public or nonprofit entity in such donor State).

11 (b) NO REVOCATIONS OR SUSPENSIONS OF FEDERAL  
12 FUNDING.—Notwithstanding any other provision of law,  
13 the President, or any other member of the executive  
14 branch, may not revoke or suspend any grant, contract,  
15 or other agreement awarded to, or entered into with, a  
16 donor State (or a political subdivision of such donor State,  
17 or a public or nonprofit entity in such donor State), unless  
18 the Comptroller General of the United States determines

1 that the donor State (or such political subdivision or enti-  
2 ty) has committed fraud, waste, or abuse with respect to  
3 such grant, contract, or agreement.

4 (c) DEFINITIONS.—In this section—

5 (1) DONOR STATE.—The term “donor State”  
6 means any State the taxpayers of which have on av-  
7 erage, over the 3-year period preceding the date of  
8 the enactment of this Act, paid a total amount in  
9 Federal income taxes that exceeds the average total  
10 amount of Federal funding provided to the State  
11 over such period.

12 (2) PUBLIC ENTITY.—The term “public entity”  
13 includes public schools and public hospitals.

14 **SEC. \_\_\_\_ . DONOR STATE PROTECTION TRUST FUND.**

15 (a) IN GENERAL.—Subchapter A of Chapter 98 is  
16 amended by adding at the end the following new section:

17 **“SEC. 9512. DONOR STATE PROTECTION TRUST FUND.**

18 “(a) CREATION OF TRUST FUND.—There is hereby  
19 established in the Treasury of the United States a trust  
20 fund to be known as the ‘Donor State Protection Trust  
21 Fund’, consisting of such amounts as may be appropriated  
22 to such Trust Fund as provided in this section.

23 “(b) TRANSFER TO TRUST FUND OF AMOUNTS  
24 EQUIVALENT TO CERTAIN TAXES.—There are hereby ap-  
25 propriated to the Donor State Protection Trust Fund

1 amounts equivalent to the taxes received in the Treasury  
2 under subtitle A paid by the taxpayers of donor States.  
3 For each calendar year, if the unobligated amounts in  
4 such Trust Fund exceed \$4,000,000,000,000 on Decem-  
5 ber 31 of such year, such excess amounts shall be trans-  
6 ferred to the general fund of the Treasury.

7 “(c) AVAILABILITY OF AND EXPENDITURES FROM  
8 TRUST FUND.—

9 “(1) IN GENERAL.—Amounts in the Donor  
10 State Protection Trust Fund shall be available, with-  
11 out further appropriation, to a donor State—

12 “(A) if, and only if, the President, or an-  
13 other member of the executive branch—

14 “(i) imposes, in violation of section  
15 2(a) of the Taxpayer Protection Act, a  
16 general prohibition on awarding a grant to,  
17 or entering into a contract or other agree-  
18 ment with, the donor State (or a political  
19 subdivision of such donor State, or a public  
20 or nonprofit entity in such donor State), or

21 “(ii) revokes or suspends, in violation  
22 of section 2(b) of such Act, a grant, con-  
23 tract, or other agreement awarded to, or  
24 entered into with, the donor State (or such  
25 political subdivision or entity), and

1 “(B) for the purpose of making any ex-  
2 penditures determined necessary or appropriate  
3 by the donor State.

4 “(2) LIMITATION.—In the case of any grant,  
5 contract, or other agreement that is revoked or sus-  
6 pended, as described in paragraph (1)(A)(ii), with  
7 respect to a donor State (or a political subdivision  
8 of such donor State, or a public or nonprofit entity  
9 in such donor State), the amounts in the Trust  
10 Fund available to the donor State shall be limited to  
11 the amount equal to the amount the donor State (or  
12 such political subdivision or entity) would have re-  
13 ceived under such grant, contract, or agreement but  
14 for such revocation or suspension.

15 “(d) DEFINITIONS.—For purposes of this section, the  
16 terms ‘donor State’ and ‘public entity’ have the meaning  
17 given such terms in section 2(c) of the Taxpayer Protec-  
18 tion Act.”.

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for subchapter A of chapter 98 is amended by adding at  
21 the end the following new item:

“9512. Donor State Protection Trust Fund.”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxes received after the date  
24 of the enactment of this Act.

