



AMENDMENT NO. _____ Calendar No. _____

Purpose: To extend and modify certain charitable tax provisions.

IN THE SENATE OF THE UNITED STATES—115th Cong., 1st Sess.

H R 1

To provide for the extension of the tax treatment of charitable contributions, and to amend the Internal Revenue Code to conform to the amendments made by the Tax Cuts and Jobs Act of 2017, and for other purposes.

AMENDMENT N^o 1659

By Thune

To: _____

Refer to H.R. 1

Page(s) 9

GPO: 2016 22-945 (mac)

AMENDMENT 1659 intended to be proposed by Mr. Thune to the amendment (No. _____) proposed by _____

Viz:

1 At the end of subpart B of part IX of subtitle C of
2 title I, insert the following:

3 **SEC. 13824. SENSE OF THE SENATE RELATING TO THE PRO-**
4 **TECTION OF CHARITABLE DEDUCTIONS.**

5 (a) FINDINGS.—The Senate makes the following
6 findings:

7 (1) The deduction for charitable contributions
8 has been an important and effective part of the tax
9 code for almost 100 years.

1 (2) The deduction for charitable contributions
2 is unique as it is the only provision that encourages
3 taxpayers to give away a portion of their income for
4 the benefit of others.

5 (3) In 2012, nonprofit organizations provided
6 11,400,000 jobs, accounting for 10.3 percent of the
7 country's private-sector workforce.

8 (4) In 2015, total charitable giving was esti-
9 mated to be \$373,250,000,000 (a 4.1-percent in-
10 crease from 2014) and accounted for 2.1 percent of
11 the gross domestic product.

12 (b) SENSE OF THE SENATE.—It is the sense of the
13 Senate that—

14 (1) encouraging charitable giving should be a
15 goal of tax reform; and

16 (2) Congress should ensure that the value and
17 scope of the deduction for charitable contributions is
18 not diminished during a comprehensive reform of the
19 tax code.

20 **SEC. 13825. INCREASE IN CARRYOVER PERIOD FOR EXCESS**
21 **CHARITABLE CONTRIBUTIONS.**

22 (a) INDIVIDUALS.—Section 170(d)(1)(A) is amend-
23 ed—

24 (1) by striking “5 succeeding taxable years”
25 and inserting “15 succeeding taxable years”, and

1 (2) by striking “the second, third, fourth, or
2 fifth succeeding taxable year” in clause (ii) and in-
3 serting “the second or any succeeding taxable year
4 in such 15-year period”.

5 (b) CORPORATIONS.—Section 170(d)(2)(A) is amend-
6 ed—

7 (1) by striking “5 succeeding taxable years”
8 and inserting “15 succeeding taxable years”, and

9 (2) by striking “the second, third, fourth, or
10 fifth succeeding taxable year” in clause (ii) and in-
11 serting “the second or any succeeding taxable year
12 in such 15-year period”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2017.

16 **SEC. 13826. DETERMINATION OF STANDARD MILEAGE RATE**
17 **FOR CHARITABLE CONTRIBUTIONS DEDUC-**
18 **TION.**

19 (a) DETERMINATION OF STANDARD MILEAGE RATE
20 FOR CHARITABLE CONTRIBUTIONS DEDUCTION.—Sub-
21 section (i) of section 170 is amended to read as follows:

22 “(i) STANDARD MILEAGE RATE FOR USE OF PAS-
23 Senger AUTOMOBILE.—For purposes of computing the
24 deduction under this section for use of a passenger auto-
25 mobile, the standard mileage rate shall be the rate deter-

1 mined by the Secretary, which rate shall not be less than
2 the standard mileage rate used for purposes of section
3 213.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to miles traveled after the date
6 of the enactment of this Act.

7 **SEC. 13827. MODIFICATION OF RULES RELATING TO DONOR**
8 **ADVISED FUNDS.**

9 (a) ALLOWANCE OF TAX-FREE CHARITABLE DIS-
10 TRIBUTIONS FROM INDIVIDUAL RETIREMENT AC-
11 COUNTS.—

12 (1) IN GENERAL.—Clause (i) of section
13 408(d)(8)(B) is amended by striking “or any fund
14 or account described in section 4966(d)(2)”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by this subsection shall apply to distributions made
17 in taxable years beginning after December 31, 2016.

18 (b) RETURN DISCLOSURES.—

19 (1) DISTRIBUTIONS.—Subsection (k) of section
20 6033 is amended—

21 (A) in paragraph (2), by striking “and” at
22 the end;

23 (B) in paragraph (3), by striking the pe-
24 riod at the end and inserting a comma; and

1 (C) by adding at the end the following new
2 paragraphs:

3 “(4) list the total number of such funds which
4 were in existence for the 36-month period ending at
5 the close of such taxable year,

6 “(5) list the total number of funds described in
7 paragraph (4) which made at least 1 grant during
8 the period described in such paragraph, and

9 “(6) set forth—

10 “(A) whether such organization has a pub-
11 licly available policy with respect to funds which
12 are inactive, dormant, or do not make distribu-
13 tions during the period described in paragraph
14 (4),

15 “(B) a description of the organization’s
16 policy for responding to funds described in sub-
17 paragraph (A) or a statement that no such pol-
18 icy is in effect, and

19 “(C) whether such organization regularly
20 and consistently monitors and enforces compli-
21 ance with the policy described in subparagraph
22 (A) with respect to such funds.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to returns for taxable
25 years beginning after December 31, 2017.

1 **SEC. 13828. MODIFICATION OF THE TAX RATE FOR THE EX-**
2 **CISE TAX ON INVESTMENT INCOME OF PRI-**
3 **VATE FOUNDATIONS.**

4 (a) IN GENERAL.—Section 4940(a) is amended by
5 striking “2 percent” and inserting “1 percent”.

6 (b) ELIMINATION OF REDUCED TAX WHERE FOUN-
7 DATION MEETS CERTAIN DISTRIBUTION REQUIRE-
8 MENTS.—Section 4940 of such Code is amended by strik-
9 ing subsection (e).

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

13 **SEC. 13829. EXCEPTION FROM PRIVATE FOUNDATION EX-**
14 **CESS BUSINESS HOLDING TAX FOR INDE-**
15 **PENDENTLY-OPERATED PHILANTHROPIC**
16 **BUSINESS HOLDINGS.**

17 (a) IN GENERAL.—Section 4943 is amended by add-
18 ing at the end the following new subsection:

19 “(g) EXCEPTION FOR CERTAIN HOLDINGS LIMITED
20 TO INDEPENDENTLY-OPERATED PHILANTHROPIC BUSI-
21 NESS.—

22 “(1) IN GENERAL.—Subsection (a) shall not
23 apply with respect to the holdings of a private foun-
24 dation in any business enterprise which meets the
25 requirements of paragraphs (2), (3), and (4) for the
26 taxable year.

1 “(2) OWNERSHIP.—The requirements of this
2 paragraph are met if—

3 “(A) 100 percent of the voting stock in the
4 business enterprise is held by the private foun-
5 dation at all times during the taxable year, and

6 “(B) all the private foundation’s ownership
7 interests in the business enterprise were ac-
8 quired by means other than by purchase.

9 “(3) ALL PROFITS TO CHARITY.—

10 “(A) IN GENERAL.—The requirements of
11 this paragraph are met if the business enter-
12 prise, not later than 120 days after the close of
13 the taxable year, distributes an amount equal to
14 its net operating income for such taxable year
15 to the private foundation.

16 “(B) NET OPERATING INCOME.—For pur-
17 poses of this paragraph, the net operating in-
18 come of any business enterprise for any taxable
19 year is an amount equal to the gross income of
20 the business enterprise for the taxable year, re-
21 duced by the sum of—

22 “(i) the deductions allowed by chapter
23 1 for the taxable year which are directly
24 connected with the production of such in-
25 come,

1 “(C) there is no loan outstanding from the
2 business enterprise to a substantial contributor
3 (as so defined) to the private foundation or to
4 any family member of such a contributor (as so
5 determined).

6 “(5) CERTAIN DEEMED PRIVATE FOUNDATIONS
7 EXCLUDED.—This subsection shall not apply to—

8 “(A) any fund or organization treated as a
9 private foundation for purposes of this section
10 by reason of subsection (e) or (f),

11 “(B) any trust described in section
12 4947(a)(1) (relating to charitable trusts), and

13 “(C) any trust described in section
14 4947(a)(2) (relating to split-interest trusts).”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2017.