

Union Calendar No. 12

114TH CONGRESS
1ST SESSION

H. R. 644

[Report No. 114–18]

To amend the Internal Revenue Code of 1986 to permanently extend and expand the charitable deduction for contributions of food inventory.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2015

Mr. REED introduced the following bill; which was referred to the Committee on Ways and Means

FEBRUARY 9, 2015

Additional sponsors: Mr. TIBERI, Mr. SCHOCK, Mr. COSTELLO of Pennsylvania, Mr. KELLY of Pennsylvania, Mr. GIBSON, Mr. PAULSEN, and Mr. NUNES

FEBRUARY 9, 2015

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 2, 2015]

A BILL

To amend the Internal Revenue Code of 1986 to permanently extend and expand the charitable deduction for contributions of food inventory.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Fighting Hunger Incen-*
5 *tive Act of 2015”.*

6 **SEC. 2. EXTENSION AND EXPANSION OF CHARITABLE DE-**
7 **DUCTION FOR CONTRIBUTIONS OF FOOD IN-**
8 **VENTORY.**

9 *(a) PERMANENT EXTENSION.—Section 170(e)(3)(C) of*
10 *the Internal Revenue Code of 1986 is amended by striking*
11 *clause (iv).*

12 *(b) INCREASE IN LIMITATION.—Section 170(e)(3)(C)*
13 *of such Code, as amended by subsection (a), is amended by*
14 *striking clause (ii), by redesignating clause (iii) as clause*
15 *(iv), and by inserting after clause (i) the following new*
16 *clauses:*

17 *“(ii) LIMITATION.—The aggregate*
18 *amount of such contributions for any tax-*
19 *able year which may be taken into account*
20 *under this section shall not exceed—*

21 *“(I) in the case of any taxpayer*
22 *other than a C corporation, 15 percent*
23 *of the taxpayer’s aggregate net income*
24 *for such taxable year from all trades or*
25 *businesses from which such contribu-*

1 *tions were made for such year, com-*
2 *puted without regard to this section,*
3 *and*

4 *“(II) in the case of a C corpora-*
5 *tion, 15 percent of taxable income (as*
6 *defined in subsection (b)(2)(D)).*

7 *“(iii) RULES RELATED TO LIMITA-*
8 *TION.—*

9 *“(I) CARRYOVER.—If such aggre-*
10 *gate amount exceeds the limitation im-*
11 *posed under clause (ii), such excess*
12 *shall be treated (in a manner con-*
13 *sistent with the rules of subsection (d))*
14 *as a charitable contribution described*
15 *in clause (i) in each of the 5 suc-*
16 *ceeding taxable years in order of time.*

17 *“(II) COORDINATION WITH OVER-*
18 *ALL CORPORATE LIMITATION.—In the*
19 *case of any charitable contribution al-*
20 *lowable under clause (ii)(II), sub-*
21 *section (b)(2)(A) shall not apply to*
22 *such contribution, but the limitation*
23 *imposed by such subsection shall be re-*
24 *duced (but not below zero) by the ag-*
25 *gregate amount of such contributions.*

1 *For purposes of subsection (b)(2)(B),*
2 *such contributions shall be treated as*
3 *allowable under subsection (b)(2)(A).”.*

4 *(c) DETERMINATION OF BASIS FOR CERTAIN TAX-*
5 *PAYERS.—Section 170(e)(3)(C) of such Code, as amended*
6 *by subsections (a) and (b), is amended by adding at the*
7 *end the following new clause:*

8 “*(v) DETERMINATION OF BASIS FOR*
9 *CERTAIN TAXPAYERS.—If a taxpayer—*
10 “*(I) does not account for inven-*
11 *tories under section 471, and*
12 “*(II) is not required to capitalize*
13 *indirect costs under section 263A,*
14 *the taxpayer may elect, solely for purposes*
15 *of subparagraph (B), to treat the basis of*
16 *any apparently wholesome food as being*
17 *equal to 25 percent of the fair market value*
18 *of such food.”.*

19 *(d) DETERMINATION OF FAIR MARKET VALUE.—Sec-*
20 *tion 170(e)(3)(C) of such Code, as amended by subsections*
21 *(a), (b), and (c), is amended by adding at the end the fol-*
22 *lowing new clause:*

23 “*(vi) DETERMINATION OF FAIR MAR-*
24 *KET VALUE.—In the case of any such con-*
25 *tribution of apparently wholesome food*

1 *which cannot or will not be sold solely by*
2 *reason of internal standards of the tax-*
3 *payer, lack of market, or similar cir-*
4 *cumstances, or by reason of being produced*
5 *by the taxpayer exclusively for the purposes*
6 *of transferring the food to an organization*
7 *described in subparagraph (A), the fair*
8 *market value of such contribution shall be*
9 *determined—*

10 “(I) *without regard to such inter-*
11 *nal standards, such lack of market,*
12 *such circumstances, or such exclusive*
13 *purpose, and*

14 “(II) *by taking into account the*
15 *price at which the same or substan-*
16 *tially the same food items (as to both*
17 *type and quality) are sold by the tax-*
18 *payer at the time of the contribution*
19 *(or, if not so sold at such time, in the*
20 *recent past).”.*

21 *(e) EFFECTIVE DATE.—*

22 (1) *IN GENERAL.—Except as otherwise provided*
23 *in this subsection, the amendments made by this sec-*
24 *tion shall apply to contributions made after the date*

1 *of the enactment of this Act, in taxable years ending*
2 *after such date.*

3 (2) *LIMITATION; APPLICABILITY TO C CORPORA-*
4 *TIONS.—The amendments made by subsection (b)*
5 *shall apply to contributions made in taxable years*
6 *ending after the date of the enactment of this Act.*

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