

106TH CONGRESS
2D SESSION

S. 2084

To amend the Internal Revenue Code of 1986 to increase the amount of the charitable deduction allowable for contributions of food inventory, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 22, 2000

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the charitable deduction allowable for contributions of food inventory, and for other purposes.

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 “Hunger Relief Tax
5 Incentive Act”.

6 **SEC. 2. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF**
7 **FOOD INVENTORY.**

8 (a) IN GENERAL.—Subsection (e) of section 170 of
9 the Internal Revenue Code of 1986 (relating to certain

1 contributions of ordinary income and capital gain prop-
2 erty) is amended by adding at the end the following new
3 paragraph:

4 “(7) SPECIAL RULE FOR CONTRIBUTIONS OF
5 FOOD INVENTORY.—For purposes of this section—

6 “(A) CONTRIBUTIONS BY NON-CORPORATE
7 TAXPAYERS.—In the case of a charitable con-
8 tribution of food, paragraph (3)(A) shall be ap-
9 plied without regard to whether or not the con-
10 tribution is made by a corporation.

11 “(B) LIMIT ON REDUCTION.—In the case
12 of a charitable contribution of food which is a
13 qualified contribution (within the meaning of
14 paragraph (3)(A), as modified by subparagraph
15 (A) of this paragraph)—

16 “(i) paragraph (3)(B) shall not apply,

17 and

18 “(ii) the reduction under paragraph
19 (1)(A) for such contribution shall be no
20 greater than the amount (if any) by which
21 the amount of such contribution exceeds
22 twice the basis of such food.

23 “(C) DETERMINATION OF FAIR MARKET
24 VALUE.—In the case of a charitable contribu-
25 tion of food which is a qualified contribution

1 (within the meaning of paragraph (3), as modi-
2 fied by subparagraphs (A) and (B) of this para-
3 graph) and which, solely by reason of internal
4 standards of the taxpayer, lack of market, or
5 similar circumstances, or which is produced by
6 the taxpayer exclusively for the purposes of
7 transferring the food to an organization de-
8 scribed in paragraph (3)(A), cannot or will not
9 be sold, the fair market value of such contribu-
10 tion shall be determined—

11 “(i) without regard to such internal
12 standards, such lack of market, such cir-
13 cumstances, or such exclusive purpose, and

14 “(ii) if applicable, by taking into ac-
15 count the price at which the same or simi-
16 lar food items are sold by the taxpayer at
17 the time of the contribution (or, if not so
18 sold at such time, in the recent past).”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to taxable years beginning after
21 December 31, 2000.

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