

106TH CONGRESS
1ST SESSION

S. 217

To amend the Internal Revenue Code of 1986 to provide for the treatment of charitable transfers of collections of personal papers with a separate right to control access.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Mr. MOYNIHAN (for himself, Mr. INOUE, and Mr. WELLSTONE) 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 provide for the treatment of charitable transfers of collections of personal papers with a separate right to control access.

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

1 **SECTION 1. TAX TREATMENT OF CHARITABLE TRANSFERS**
 2 **OF COLLECTIONS OF PERSONAL PAPERS**
 3 **WITH SEPARATE RIGHT TO CONTROL AC-**
 4 **CESS.**

5 (a) IN GENERAL.—Chapter 14 of the Internal Reve-
 6 nue Code of 1986 is amended by adding at the end the
 7 following:

8 **“SEC. 2705. TREATMENT OF CHARITABLE TRANSFERS OF**
 9 **COLLECTIONS OF PERSONAL PAPERS WITH**
 10 **SEPARATE RIGHT TO CONTROL ACCESS.**

11 “(a) GENERAL RULE.—For purposes of this subtitle,
 12 if—

13 “(1) an individual transfers an interest in quali-
 14 fied property to a person, or for a use described in
 15 section 2055(a) or section 2522 (a) or (b), and

16 “(2) the individual retains or transfers to an-
 17 other person the right to control access to such
 18 property for a period not to exceed 25 years after
 19 the death of the individual,

20 sections 2036, 2038, 2055(e)(2), and 2522(c)(2) shall not
 21 apply solely by reason of the individual retaining or trans-
 22 ferring such right.

23 “(b) SPECIAL RULES RELATING TO TRANSFER OF
 24 RIGHT TO CONTROL ACCESS.—If any individual transfers
 25 the right to control access described in subsection (a) to

1 another person for less than an adequate and full consid-
 2 eration in money or money's worth—

3 “(1) no tax shall be imposed under this subtitle
 4 by reason of the transfer, and

5 “(2) if the transfer involves the right being ac-
 6 quired, or passed, from a decedent, section 1014
 7 shall not apply and the basis of the right in the
 8 hands of the transferee shall be determined under
 9 rules similar to the rules under section 1015.

10 “(c) QUALIFIED PROPERTY.—For purposes of this
 11 section, the term ‘qualified property’ means a collection
 12 substantially all of the items of which are in the form of
 13 letters, memoranda, or similar property described in sec-
 14 tion 1221(3).”

15 (b) CONFORMING AMENDMENTS.—

16 (1) The heading for chapter 14 of such Code is
 17 amended to read as follows:

18 “CHAPTER 14—SPECIAL VALUATION RULES;
 19 RULES AFFECTING SUBTITLE”.

20 (2) The item relating to chapter 14 in the table
 21 of chapters of subtitle B of such Code is amended
 22 by striking “rules.” and inserting “rules; rules af-
 23 fecting subtitle.”

1 (3) The table of sections of chapter 14 of such
2 Code is amended by adding at the end the following
3 new item:

 “Sec. 2705. Treatment of charitable transfers of collections of
 personal papers with separate right to control ac-
 cess.”

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section apply to any transfer made before, on, or after
6 the date of enactment of this Act.

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