

107TH CONGRESS
1ST SESSION

H. R. 774

To amend the Internal Revenue Code of 1986 to waive the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2001

Mr. CRANE (for himself, Mr. NEAL of Massachusetts, Mr. PAUL, Mr. HERGER, Mr. ROGERS of Michigan, Mr. TANCREDI, Mr. SOUDER, Mr. BRADY of Texas, Mr. STUPAK, Mr. PETERSON of Pennsylvania, and Mr. WATKINS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to waive the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable 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 “IRA Charitable Roll-
5 over Incentive Act”.

1 **SEC. 2. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RE-**
2 **TIREMENT ACCOUNTS FOR CHARITABLE**
3 **PURPOSES.**

4 (a) IN GENERAL.—Subsection (d) of section 408 of
5 the Internal Revenue Code of 1986 (relating to individual
6 retirement accounts) is amended by adding at the end the
7 following new paragraph:

8 “(8) DISTRIBUTIONS FOR CHARITABLE PUR-
9 POSES.—

10 “(A) IN GENERAL.—No amount shall be
11 includible in gross income by reason of a quali-
12 fied charitable distribution from an individual
13 retirement account to an organization described
14 in section 170(c).

15 “(B) SPECIAL RULES RELATING TO CHARI-
16 TABLE REMAINDER TRUSTS, POOLED INCOME
17 FUNDS, AND CHARITABLE GIFT ANNUITIES.—

18 “(i) IN GENERAL.—No amount shall
19 be includible in gross income by reason of
20 a qualified charitable distribution from an
21 individual retirement account—

22 “(I) to a charitable remainder
23 annuity trust or a charitable remain-
24 der unitrust (as such terms are de-
25 fined in section 664(d)),

1 “(II) to a pooled income fund (as
2 defined in section 642(c)(5)), or

3 “(III) for the issuance of a chari-
4 table gift annuity (as defined in sec-
5 tion 501(m)(5)).

6 The preceding sentence shall apply only if
7 no person holds an income interest in the
8 amounts in the trust, fund, or annuity at-
9 tributable to such distribution other than
10 one or more of the following: the individual
11 for whose benefit such account is main-
12 tained, the spouse of such individual, or
13 any organization described in section
14 170(c).

15 “(ii) DETERMINATION OF INCLUSION
16 OF AMOUNTS DISTRIBUTED.—In deter-
17 mining the amount includible in the gross
18 income of any person by reason of a pay-
19 ment or distribution from a trust referred
20 to in clause (i)(I) or a charitable gift annu-
21 ity (as so defined), the portion of any
22 qualified charitable distribution to such
23 trust or for such annuity which would (but
24 for this subparagraph) have been includible
25 in gross income—

1 “(I) shall be treated as income
2 described in section 664(b)(1), and

3 “(II) shall not be treated as an
4 investment in the contract.

5 “(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No
6 amount shall be includible in the gross income of a pooled income fund (as so defined) by reason of a qualified charitable
7 distribution to such fund.
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11 “(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the
12 term ‘qualified charitable distribution’ means
13 any distribution from an individual retirement
14 account—
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16 “(i) which is made on or after the
17 date that the individual for whose benefit
18 the account is maintained has attained age
19 59½, and

20 “(ii) which is made directly from the
21 account to—

22 “(I) an organization described in
23 section 170(c), or

24 “(II) a trust, fund, or annuity referred to in subparagraph (B).
25

1 “(D) DENIAL OF DEDUCTION.—The
2 amount allowable as a deduction under section
3 170 to the taxpayer for the taxable year shall
4 be reduced (but not below zero) by the sum of
5 the amounts of the qualified charitable distribu-
6 tions during such year which would be includ-
7 ible in the gross income of the taxpayer for
8 such year but for this paragraph.”

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) shall apply to taxable years beginning after
11 the date of the enactment of this Act.

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