

107TH CONGRESS
1ST SESSION

S. 298

To amend the Internal Revenue Code of 1986 to allow nonitemizers a deduction for a portion of their charitable contributions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2001

Mr. McCONNELL (for himself and Mr. DODD) 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 allow non-itemizers a deduction for a portion of their charitable contributions, 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 “Giving Incentives for
5 Taxpayers Act”.

1 **SEC. 2. DEDUCTION FOR PORTION OF CHARITABLE CON-**
 2 **TRIBUTIONS TO BE ALLOWED TO INDIVID-**
 3 **UALS WHO DO NOT ITEMIZE DEDUCTIONS.**

4 (a) IN GENERAL.—Section 170 of the Internal Rev-
 5 enue Code of 1986 (relating to charitable, etc., contribu-
 6 tions and gifts) is amended by redesignating subsection
 7 (m) as subsection (n) and by inserting after subsection
 8 (l) the following new subsection:

9 “(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING
 10 DEDUCTIONS.—

11 “(1) IN GENERAL.—In the case of an individual
 12 who does not itemize the individual’s deductions for
 13 the taxable year, the amount allowable under sub-
 14 section (a) shall be taken into account as a direct
 15 charitable deduction under section 63.

16 “(2) LIMITATION.—The portion of the amount
 17 allowable under subsection (a) to which paragraph
 18 (1) applies for the taxable year shall not exceed
 19 \$500 (\$1,000 in the case of a joint return).”.

20 (b) DIRECT CHARITABLE DEDUCTION.—

21 (1) IN GENERAL.—Section 63(b) of the Internal
 22 Revenue Code of 1986 (relating to individuals who
 23 do not itemize their deductions) is amended by strik-
 24 ing “and” at the end of paragraph (1), by striking
 25 the period at the end of paragraph (2) and inserting

1 “, and”, and by adding at the end the following new
2 paragraph:

3 “(3) the direct charitable deduction.”.

4 (2) DEFINITION.—Section 63 of such Code (re-
5 lating to taxable income defined) is amended by re-
6 designating subsection (g) as subsection (h) and by
7 inserting after subsection (f) the following new sub-
8 section:

9 “(g) DIRECT CHARITABLE DEDUCTION.—For pur-
10 poses of this section, the term ‘direct charitable deduction’
11 means that portion of the amount allowable under section
12 170(a) which is taken as a direct charitable deduction for
13 the taxable year under section 170(m).”.

14 (3) CONFORMING AMENDMENT.—Section 63(d)
15 of such Code (defining itemized deductions) is
16 amended by striking “and” at the end of paragraph
17 (1), by striking the period at the end of paragraph
18 (2) and inserting “, and”, and by adding at the end
19 the following new paragraph:

20 “(3) the direct charitable deduction.”.

21 (c) TIME WHEN CONTRIBUTIONS DEEMED MADE.—
22 Section 170(f) of the Internal Revenue Code of 1986 (re-
23 lating to disallowance of deduction in certain cases and
24 special rules) is amended by adding at the end the fol-
25 lowing new paragraph:

1 “(10) TIME WHEN CONTRIBUTIONS DEEMED
2 PAID.—For purposes of this section, in the case of
3 an individual, a taxpayer shall be deemed to have
4 paid a charitable contribution on the last day of the
5 preceding taxable year if the contribution is paid on
6 account of such taxable year and is paid not later
7 than the time prescribed by law for filing the return
8 for such taxable year (not including extensions
9 thereof).”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2000.

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