II

107TH CONGRESS
1ST SESSION

S. 810

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

IN THE SENATE OF THE UNITED STATES

MAY 1, 2001

Mr. MCCONNELL (for himself and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Feeding Needy Families Act''.

SEC. 2. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—

"(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3) shall be applied without regard to whether or not the contribution is made by a corporation.

"(B) DETERMINATION OF FAIR MARKET VALUE.—For purposes of this section, in the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraph (A) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, cannot or will not be sold, the fair market value of such contribution shall be determined—

"(i) without regard to such internal standards, such lack of market, or such circumstances, and

"(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

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