

109TH CONGRESS
1ST SESSION

S. 315

To amend the Internal Revenue Code of 1986 to provide that reimbursements for costs of using passenger automobiles for charitable and other organizations are excluded from gross income, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2005

Mr. FEINGOLD 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 that reimbursements for costs of using passenger automobiles for charitable and other organizations are excluded from gross income, 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. MILEAGE REIMBURSEMENTS TO CHARITABLE**
4 **VOLUNTEERS EXCLUDED FROM GROSS IN-**
5 **COME.**

6 (a) IN GENERAL.—Part III of subchapter B of chap-
7 ter 1 of the Internal Revenue Code of 1986 is amended
8 by inserting after section 139A the following new section:

1 **“SEC. 139B. MILEAGE REIMBURSEMENTS TO CHARITABLE**
 2 **VOLUNTEERS.**

3 “(a) IN GENERAL.—Gross income of an individual
 4 does not include amounts received, from an organization
 5 described in section 170(c), as reimbursement of operating
 6 expenses with respect to use of a passenger automobile
 7 for the benefit of such organization. The preceding sen-
 8 tence shall apply only to the extent that such reimburse-
 9 ment would be deductible under this chapter if section
 10 274(d) were applied—

11 “(1) by using the standard business mileage
 12 rate established under such section, and

13 “(2) as if the individual were an employee of an
 14 organization not described in section 170(c).

15 “(b) NO DOUBLE BENEFIT.—Subsection (a) shall
 16 not apply with respect to any expenses if the individual
 17 claims a deduction or credit for such expenses under any
 18 other provision of this title.

19 “(c) EXEMPTION FROM REPORTING REQUIRE-
 20 MENTS.—Section 6041 shall not apply with respect to re-
 21 imbursements excluded from income under subsection
 22 (a).”.

23 (b) CLERICAL AMENDMENT.—The table of sections
 24 for part III of subchapter B of chapter 1 of the Internal
 25 Revenue Code of 1986 is amended by inserting after the

1 item relating to section 139A and inserting the following
 2 new item:

“Sec. 139B. Reimbursement for use of passenger automobile for charity.”.

3 (c) **EFFECTIVE DATE.**—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 the date of the enactment of this Act.

6 **SEC. 2. INCREASE IN CRIMINAL MONETARY PENALTY LIM-**
 7 **TATION FOR THE UNDERPAYMENT OR OVER-**
 8 **PAYMENT OF TAX DUE TO FRAUD.**

9 (a) **IN GENERAL.**—Section 7206 of the Internal Rev-
 10 enue Code of 1986 (relating to fraud and false statements)
 11 is amended—

12 (1) by striking “Any person who—” and insert-
 13 ing “(a) **IN GENERAL.**—Any person who—”, and

14 (2) by adding at the end the following new sub-
 15 section:

16 “(b) **INCREASE IN MONETARY LIMITATION FOR UN-**
 17 **DERPAYMENT OR OVERPAYMENT OF TAX DUE TO**
 18 **FRAUD.**—If any portion of any underpayment (as defined
 19 in section 6664(a)) or overpayment (as defined in section
 20 6401(a)) of tax required to be shown on a return is attrib-
 21 utable to fraudulent action described in subsection (a), the
 22 applicable dollar amount under subsection (a) shall in no
 23 event be less than an amount equal to such portion. A
 24 rule similar to the rule under section 6663(b) shall apply
 25 for purposes of determining the portion so attributable.”.

1 (b) INCREASE IN PENALTIES.—

2 (1) ATTEMPT TO EVADE OR DEFEAT TAX.—

3 Section 7201 of the Internal Revenue Code of 1986
4 is amended—

5 (A) by striking “\$100,000” and inserting
6 “\$250,000”,

7 (B) by striking “\$500,000” and inserting
8 “\$1,000,000”, and

9 (C) by striking “5 years” and inserting
10 “10 years”.

11 (2) WILLFUL FAILURE TO FILE RETURN, SUP-
12 PLY INFORMATION, OR PAY TAX.—Section 7203 of
13 such Code is amended—

14 (A) in the first sentence—

15 (i) by striking “misdemeanor” and in-
16 sserting “felony”, and

17 (ii) by striking “1 year” and inserting
18 “10 years”, and

19 (B) by striking the third sentence.

20 (3) FRAUD AND FALSE STATEMENTS.—Section
21 7206(a) of such Code (as redesignated by subsection
22 (a)) is amended—

23 (A) by striking “\$100,000” and inserting
24 “\$250,000”,

1 (B) by striking “\$500,000” and inserting
2 “\$1,000,000”, and

3 (C) by striking “3 years” and inserting “5
4 years”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to underpayments and overpay-
7 ments attributable to actions occurring after the date of
8 the enactment of this Act.

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