

109TH CONGRESS  
1ST SESSION

# S. 94

To amend the Internal Revenue Code of 1986 to provide for a charitable deduction for contributions of food inventory.

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IN THE SENATE OF THE UNITED STATES

JANUARY 24, 2005

Mr. LUGAR (for himself, Mr. LEAHY, Mrs. LINCOLN, Mrs. DOLE, and Mr. SMITH) 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 provide for a charitable deduction for contributions of food inventory.

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 “Good Samaritan Hun-  
5 ger Relief Tax Incentive Act”.

6 **SEC. 2. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF**  
7 **FOOD INVENTORY.**

8 (a) IN GENERAL.—Section 170(e) of the Internal  
9 Revenue Code of 1986 (relating to certain contributions

1 of ordinary income and capital gain property) is amended  
2 by adding at the end the following new paragraph:

3 “(7) SPECIAL RULE FOR CONTRIBUTIONS OF  
4 FOOD INVENTORY.—For purposes of this section—

5 “(A) CONTRIBUTIONS BY NON-CORPORATE  
6 TAXPAYERS.—In the case of a charitable con-  
7 tribution of food by a taxpayer, paragraph  
8 (3)(A) shall be applied without regard to wheth-  
9 er or not the contribution is made by a corpora-  
10 tion.

11 “(B) LIMIT ON REDUCTION.—In the case  
12 of a charitable contribution of food which is a  
13 qualified contribution (within the meaning of  
14 paragraph (3)(A), as modified by subparagraph  
15 (A) of this paragraph)—

16 “(i) paragraph (3)(B) shall not apply,  
17 and

18 “(ii) the reduction under paragraph  
19 (1)(A) for such contribution shall be no  
20 greater than the amount (if any) by which  
21 the amount of such contribution exceeds  
22 twice the basis of such food.

23 “(C) DETERMINATION OF BASIS.—For  
24 purposes of this paragraph, if a taxpayer uses  
25 the cash method of accounting, the basis of any

1 qualified contribution of such taxpayer shall be  
2 deemed to be 50 percent of the fair market  
3 value of such contribution.

4 “(D) DETERMINATION OF FAIR MARKET  
5 VALUE.—In the case of a charitable contribu-  
6 tion of food which is a qualified contribution  
7 (within the meaning of paragraph (3), as modi-  
8 fied by subparagraphs (A) and (B) of this para-  
9 graph) and which, solely by reason of internal  
10 standards of the taxpayer, lack of market, or  
11 similar circumstances, or which is produced by  
12 the taxpayer exclusively for the purposes of  
13 transferring the food to an organization de-  
14 scribed in paragraph (3)(A), cannot or will not  
15 be sold, the fair market value of such contribu-  
16 tion shall be determined—

17 “(i) without regard to such internal  
18 standards, such lack of market, such cir-  
19 cumstances, or such exclusive purpose, and

20 “(ii) if applicable, by taking into ac-  
21 count the price at which the same or simi-  
22 lar food items are sold by the taxpayer at  
23 the time of the contribution (or, if not so  
24 sold at such time, in the recent past).”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to taxable years beginning after  
3 December 31, 2004.

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