

110TH CONGRESS  
1ST SESSION

# H. R. 1207

To amend the Internal Revenue Code of 1986 to impose an excise tax on any tax-exempt organization which accepts any contribution which may be used to relocate property held by the organization if the relocation is contrary to the intent of the donor of the property.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2007

Mr. GERLACH introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to impose an excise tax on any tax-exempt organization which accepts any contribution which may be used to relocate property held by the organization if the relocation is contrary to the intent of the donor of the property.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCISE TAX PENALTY ON TAX-EXEMPT ORGANI-**  
2 **ZATIONS ACCEPTING CONTRIBUTIONS**  
3 **WHICH MAY BE USED TO RELOCATE PROP-**  
4 **ERTY HELD BY THE ORGANIZATION IF THE**  
5 **RELOCATION IS CONTRARY TO THE INTENT**  
6 **OF THE DONOR OF THE PROPERTY.**

7 (a) IN GENERAL.—Chapter 41 of the Internal Rev-  
8 enue Code of 1986 (relating to public charities) is amend-  
9 ed by adding at the end the following new section:

10 **“SEC. 4913. TAX ON ORGANIZATIONS ACCEPTING CON-**  
11 **TRIBUTIONS WHICH MAY BE USED TO RELO-**  
12 **CATE PROPERTY HELD BY THE ORGANIZA-**  
13 **TION IF THE RELOCATION IS CONTRARY TO**  
14 **THE INTENT OF THE DONOR OF THE PROP-**  
15 **ERTY.**

16 “(a) TAX IMPOSED.—

17 “(1) IN GENERAL.—There is hereby imposed on  
18 the disqualified contributions of any organization to  
19 which this section applies a tax equal to 100 percent  
20 of the amount of such contributions. The tax im-  
21 posed by this section shall be paid by the organiza-  
22 tion.

23 “(2) ORGANIZATIONS TO WHICH SECTION AP-  
24 PLIES.—This section shall apply to any organization  
25 described in section 501(c)(3) and exempt from tax

1 under section 501(a) if such organization holds  
2 property—

3 “(A) which was donated to such organiza-  
4 tion (or any other organization so described),  
5 and

6 “(B) with respect to which there is written  
7 evidence of the donor’s intent that the property  
8 not be relocated from the site identified by the  
9 donor.

10 “(b) DISQUALIFIED CONTRIBUTION.—For purposes  
11 of this section, the term ‘disqualified contribution’ means  
12 any contribution received by an organization unless the  
13 contribution is permanently set aside to carry out—

14 “(1) the exempt purposes of the organization  
15 with respect to property referred to in subsection  
16 (a)(2) at the location intended by the donor of the  
17 property, or

18 “(2) other exempt purposes of the organization  
19 which are unrelated to such property.

20 “(c) EXCEPTION.—The tax imposed by subsection (a)  
21 shall not apply to any contribution if, before the contribu-  
22 tion is received, there is a determination by a court of  
23 competent jurisdiction that the relocation of such property  
24 is the only reasonable, appropriate, and economically via-  
25 ble alternative to preserve and protect the property.”.

1           (b) CLERICAL AMENDMENT.—The table of sections  
2 for chapter 41 of such Code is amended by adding at the  
3 end the following new item:

“Sec. 4913. Tax on organizations accepting contributions which may be used  
to relocate property held by the organization if the relocation  
is contrary to the intent of the donor of the property.”.

4           (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to contributions made after De-  
6 cember 31, 2006.

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