

110TH CONGRESS  
1ST SESSION

# H. R. 2491

To amend the Internal Revenue Code of 1986 to treat charitable remainder pet trusts in a manner similar to charitable remainder annuity trusts.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2007

Mr. BLUMENAUER (for himself and Mr. RAMSTAD) 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 treat charitable remainder pet trusts in a manner similar to charitable remainder annuity trusts.

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. TREATMENT OF CHARITABLE REMAINDER PET**  
4 **TRUSTS IN MANNER SIMILAR TO CHARI-**  
5 **TABLE REMAINDER ANNUITY TRUSTS.**

6 (a) IN GENERAL.—Subsection (a) of section 664 of  
7 the Internal Revenue Code of 1986 (relating to general  
8 rule) is amended—

9 (1) by striking “annuity trust and” and insert-  
10 ing “annuity trust,” and

1           (2) by inserting “, and a charitable remainder  
2           pet trust” before the period at the end.

3           (b) INCOME TAX TREATMENT.—Subsections (a) and  
4           (c) of section 664 of such Code (relating to exemption  
5           from income taxes) are both amended—

6           (1) by striking “annuity trust and” and insert-  
7           ing “annuity trust,” and

8           (2) by inserting “, and a charitable remainder  
9           pet trust” after “unitrust”.

10          (c) CHARITABLE REMAINDER PET TRUST DE-  
11          FINED.—Subsection (d) of section 664 of such Code (re-  
12          lating to definitions) is amended by adding at the end the  
13          following new paragraphs:

14                 “(5) CHARITABLE REMAINDER PET TRUST.—  
15          For purposes of this section—

16                         “(A) IN GENERAL.—A charitable remain-  
17                         der pet trust is a trust—

18                                 “(i) from which a sum certain (which  
19                                 is not less than 5 percent nor more than  
20                                 50 percent of the initial net fair market  
21                                 value for all property placed in trust) is to  
22                                 be paid, not less often than annually, to a  
23                                 designated person or organization, or a  
24                                 successor designated person or organiza-  
25                                 tion, for the exclusive benefit (but allowing

1 for payment of any income tax resulting  
2 from the payment) of one or more specified  
3 pets for a term of years (not in excess of  
4 20 years), such payments to terminate at  
5 the earlier of the expiration of the term of  
6 years or the death of the last surviving  
7 specified pet,

8 “(ii) from which no amount other  
9 than the payments described in clause (i)  
10 and the taxes imposed pursuant to sub-  
11 section (c) may be paid to or for the use  
12 of any person other than an organization  
13 described in section 170(c),

14 “(iii) following the termination of the  
15 payments described in clause (i), the re-  
16 mainder interest in the trust is to be trans-  
17 ferred to, or for the use of, an organization  
18 described in section 170(c), and

19 “(iv) the value (determined under sec-  
20 tion 7520) of such remainder interest is at  
21 least 10 percent of the initial fair market  
22 value of all property placed in the trust.

23 “(B) VALUE OF REMAINDER INTEREST.—

24 For purposes of determining the value of the  
25 remainder interest of a charitable remainder pet

1 trust, the pets' life expectancy shall be dis-  
2 regarded.

3 “(C) PET.—A pet is any domesticated  
4 companion animal (including a domesticated  
5 companion cat, dog, rabbit, guinea pig, ham-  
6 ster, gerbil, ferret, mouse, rat, bird, fish, rep-  
7 tile, or horse) which is living, and owned or  
8 cared for by the taxpayer establishing the trust,  
9 at the time of the creation of the trust.”.

10 (d) CONFORMING AMENDMENTS.—

11 (1) Sections 170(f)(2)(A), 2055(e)(2)(A), and  
12 2522(e)(2)(A) of such Code are each amended by  
13 striking “charitable remainder annuity trust or a  
14 charitable remainder unitrust” and inserting “chari-  
15 table remainder annuity trust, charitable remainder  
16 unitrust, or charitable remainder pet trust”.

17 (2) Sections 664(e) and 1361(e)(1)(B)(iii) of  
18 such Code are both amended by striking “charitable  
19 remainder annuity trust or charitable remainder  
20 unitrust” and inserting “charitable remainder annu-  
21 ity trust, charitable remainder unitrust, or charitable  
22 remainder pet trust”.

23 (3) Paragraphs (1) and (3) of section 664(f) of  
24 such Code are both amended by striking “paragraph

1 (1)(A) or (2)(A)” and inserting “paragraph (1)(A),  
2 (2)(A), or (5)(A)(i)”.

3 (4) Section 2055(e)(3)(F) of such Code is  
4 amended by inserting “or pet (as defined in section  
5 664(d)(5)(C))” after “by reason of the death of any  
6 individual”.

7 (5) Section 2652(c)(1)(C) of such Code is  
8 amended—

9 (A) in clause (i) by inserting “within the  
10 meaning of section 664” before the comma at  
11 the end, and

12 (B) by striking “or” at the end of clause  
13 (ii), by redesignating clause (iii) as clause (iv),  
14 and by inserting after clause (ii) the following  
15 new clause:

16 “(iii) a charitable remainder pet trust  
17 within the meaning of section 664, or”.

18 (e) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to charitable remainder pet trusts  
20 created after the date of the enactment of this Act.

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