

Union Calendar No. 370

113TH CONGRESS
2^D SESSION

H. R. 4691

[Report No. 113–497]

To amend the Internal Revenue Code of 1986 to modify the tax rate for
excise tax on investment income of private foundations.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2014

Mr. PAULSEN (for himself and Mr. DANNY K. DAVIS of Illinois) introduced
the following bill; which was referred to the Committee on Ways and Means

JUNE 26, 2014

Additional sponsor: Mr. Reed

JUNE 26, 2014

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

A BILL

To amend the Internal Revenue Code of 1986 to modify the tax rate for excise tax on investment income of private foundations.

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. MODIFICATION OF THE TAX RATE FOR THE EX-**
 4 **CISE TAX ON INVESTMENT INCOME OF PRI-**
 5 **VATE FOUNDATIONS.**

6 (a) ~~IN GENERAL.~~—Section 4940(a) of the Internal
 7 Revenue Code of 1986 is amended by striking “2 percent”
 8 and inserting “1 percent”.

9 (b) ~~ELIMINATION OF REDUCED TAX WHERE FOUN-~~
 10 ~~DATION MEETS CERTAIN DISTRIBUTION REQUIRE-~~
 11 ~~MENTS.~~—Section 4940 of such Code is amended by strik-
 12 ing subsection (c).

13 (c) ~~EFFECTIVE DATE.~~—The amendments made by
 14 this section shall apply to taxable years beginning after
 15 the date of the enactment of this Act.

16 **SECTION 1. SHORT TITLE.**

17 *This Act may be cited as the “Private Foundation Ex-*
 18 *cise Tax Simplification Act of 2014”.*

19 **SEC. 2. MODIFICATION OF THE TAX RATE FOR THE EXCISE**
 20 **TAX ON INVESTMENT INCOME OF PRIVATE**
 21 **FOUNDATIONS.**

22 (a) *IN GENERAL.*—Section 4940(a) of the Internal
 23 Revenue Code of 1986 is amended by striking “2 percent”
 24 and inserting “1 percent”.

1 (b) *ELIMINATION OF REDUCED TAX WHERE FOUNDA-*
2 *TION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—*
3 *Section 4940 of such Code is amended by striking subsection*
4 *(e).*

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

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