

105TH CONGRESS
1ST SESSION

S. 99

To amend the Internal Revenue Code of 1986 to allow companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1997

Mrs. BOXER 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 allow companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, 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. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC**
4 **EQUIPMENT TO ELEMENTARY AND SECOND-**
5 **ARY SCHOOLS.**

6 (a) IN GENERAL.—Subparagraph (B) of section
7 170(e)(4) of the Internal Revenue Code of 1986 is amend-
8 ed to read as follows:

1 “(B) QUALIFIED RESEARCH OR EDU-
2 CATION CONTRIBUTION.—For purposes of this
3 paragraph, the term ‘qualified research or edu-
4 cation contribution’ means a charitable con-
5 tribution by a corporation of tangible personal
6 property (including computer software), but
7 only if—

8 “(i) the contribution is to—

9 “(I) an educational organization
10 described in subsection (b)(1)(A)(ii),

11 “(II) a governmental unit de-
12 scribed in subsection (c)(1), or

13 “(III) an organization described
14 in section 41(e)(6)(B),

15 “(ii) the contribution is made not
16 later than 3 years after the date the tax-
17 payer acquired the property (or in the case
18 of property constructed by the taxpayer,
19 the date the construction of the property is
20 substantially completed),

21 “(iii) the property is scientific equip-
22 ment or apparatus substantially all of the
23 use of which by the donee is for—

24 “(I) research or experimentation
25 (within the meaning of section 174),

1 or for research training, in the United
2 States in physical or biological
3 sciences, or

4 “(II) in the case of an organiza-
5 tion described in clause (i) (I) or (II),
6 use within the United States for edu-
7 cational purposes related to the pur-
8 pose or function of the organization,

9 “(iv) the original use of the property
10 began with the taxpayer (or in the case of
11 property constructed by the taxpayer, with
12 the donee),

13 “(v) the property is not transferred by
14 the donee in exchange for money, other
15 property, or services, and

16 “(vi) the taxpayer receives from the
17 donee a written statement representing
18 that its use and disposition of the property
19 will be in accordance with the provisions of
20 clauses (iv) and (v).”

21 (b) DONATIONS TO CHARITY FOR REFURBISHING.—
22 Section 170(e)(4) of the Internal Revenue Code of 1986
23 is amended by adding at the end the following new sub-
24 paragraph:

1 “(D) DONATIONS TO CHARITY FOR REFUR-
2 BISHING.—For purposes of this paragraph, a
3 charitable contribution by a corporation shall be
4 treated as a qualified research or education con-
5 tribution if—

6 “(i) such contribution is a contribu-
7 tion of property described in subparagraph
8 (B)(iii) to an organization described in sec-
9 tion 501(c)(3) and exempt from taxation
10 under section 501(a),

11 “(ii) such organization repairs and re-
12 furbishes the property and donates the
13 property to an organization described in
14 subparagraph (B)(i), and

15 “(iii) the taxpayer receives from the
16 organization to whom the taxpayer contrib-
17 uted the property a written statement rep-
18 resenting that its use of the property (and
19 any use by the organization to which it do-
20 nates the property) meets the requirements
21 of this paragraph.”

22 (c) CONFORMING AMENDMENTS.—

23 (1) Paragraph (4)(A) of section 170(e) of the
24 Internal Revenue Code of 1986 is amended by strik-
25 ing “qualified research contribution” each place it

1 appears and inserting “qualified research or edu-
2 cation contribution”.

3 (2) The heading for section 170(e)(4) of such
4 Code is amended by inserting “OR EDUCATION”
5 after “RESEARCH”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 1996.

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