

109TH CONGRESS
2^D SESSION

H. R. 5056

To amend the Internal Revenue Code of 1986 to encourage charitable contributions of real property for conservation purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2006

Mr. FITZPATRICK of Pennsylvania (for himself, Mr. GERLACH, Mr. SIMMONS, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to encourage charitable contributions of real property for conservation 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. ENCOURAGEMENT OF CONTRIBUTIONS OF**
4 **CAPITAL GAIN REAL PROPERTY MADE FOR**
5 **CONSERVATION PURPOSES.**

6 (a) IN GENERAL.—

7 (1) INDIVIDUALS.—Paragraph (1) of subsection
8 170(b) of the Internal Revenue Code of 1986 (relat-
9 ing to percentage limitations) is amended by redesi-

1 nating subparagraphs (E) and (F) as subparagraphs
2 (F) and (G), respectively, and by inserting after sub-
3 paragraph (D) the following new subparagraph:

4 “(E) CONTRIBUTIONS OF QUALIFIED CON-
5 SERVATION CONTRIBUTIONS.—

6 “(i) IN GENERAL.—Any qualified con-
7 servation contribution (as defined in sub-
8 section (h)(1)) to an organization described
9 in subparagraph (A) shall be allowed to
10 the extent the aggregate of such contribu-
11 tions does not exceed the excess of 50 per-
12 cent of the taxpayer’s contribution base
13 over the amount of all other charitable
14 contributions allowable under this para-
15 graph.

16 “(ii) CARRYOVER.—If the aggregate
17 amount of contributions described in clause
18 (i) exceeds the limitation of clause (i), such
19 excess shall be treated (in a manner con-
20 sistent with the rules of subsection (d)(1))
21 as a charitable contribution to which clause
22 (i) applies in each of the 15 succeeding
23 years in order of time.

24 “(iii) COORDINATION WITH OTHER
25 SUBPARAGRAPHS.—For purposes of apply-

1 ing this subsection and subsection (d)(1),
2 contributions described in clause (i) shall
3 not be treated as described in subpara-
4 graph (A), (B), (C), or (D).

5 “(iv) QUALIFIED FARMER OR RANCH-
6 ER.—

7 “(I) IN GENERAL.—If the indi-
8 vidual is a qualified farmer or rancher
9 for the taxable year in which the con-
10 tribution is made, clause (i) shall be
11 applied by substituting ‘100 percent’
12 for ‘50 percent’.

13 “(II) DEFINITION.—For pur-
14 poses of subclause (I), the term ‘quali-
15 fied farmer or rancher’ means a tax-
16 payer whose gross income from the
17 trade or business of farming (within
18 the meaning of section 2032A(e)(5))
19 is greater than 50 percent of the tax-
20 payer’s gross income for the taxable
21 year.”.

22 (2) CORPORATIONS.—Paragraph (2) of section
23 170(b) of such Code is amended to read as follows:

24 “(2) CORPORATIONS.—In the case of a corpora-
25 tion—

1 “(A) IN GENERAL.—The total deductions
2 under subsection (a) for any taxable year (other
3 than for contributions to which subparagraph
4 (B) applies) shall not exceed 10 percent of the
5 taxpayer’s taxable income.

6 “(B) QUALIFIED CONSERVATION CON-
7 TRIBUTIONS BY CERTAIN CORPORATE FARMERS
8 AND RANCHERS.—

9 “(i) IN GENERAL.—Any qualified con-
10 servation contribution (as defined in sub-
11 section (h)(1)) made—

12 “(I) by a corporation which, for
13 the taxable year during which the con-
14 tribution is made, is a qualified farm-
15 er or rancher (as defined in paragraph
16 (1)(E)(iv)(II)) and the stock of which
17 is not readily tradable on an estab-
18 lished securities market at any time
19 during such year, and

20 “(II) to an organization de-
21 scribed in paragraph (1)(A), shall be
22 allowed to the extent the aggregate of
23 such contributions does not exceed the
24 excess of the taxpayer’s taxable in-
25 come over the amount of charitable

1 contributions allowable under sub-
2 paragraph (A).

3 “(ii) CARRYOVER.—If the aggregate
4 amount of contributions described in clause
5 (i) exceeds the limitation of clause (i), such
6 excess shall be treated (in a manner con-
7 sistent with the rules of subsection (d)(2))
8 as a charitable contribution to which clause
9 (i) applies in each of the 15 succeeding
10 years in order of time.

11 “(C) TAXABLE INCOME.—For purposes of
12 this paragraph, taxable income shall be com-
13 puted without regard to—

14 “(i) this section,

15 “(ii) part VIII (except section 248),

16 “(iii) any net operating loss
17 carryback to the taxable year under sec-
18 tion 172,

19 “(iv) section 199, and

20 “(v) any capital loss carryback to the
21 taxable year under section 1212(a)(1).”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) The second sentence of clause (i) of section
24 170(b)(1)(C) of such Code is amended by striking

1 “subparagraph (D)” and inserting “subparagraph
2 (D) or (E)”.

3 (2) Clause (i) of section 170(b)(1)(D) of such
4 Code is amended by striking “subparagraph (A)”
5 and inserting “subparagraphs (A) or (E)”.

6 (3) Paragraph (2) of section 170(d) of such
7 Code is amended by striking “subsection (b)(2)”
8 each place it appears and inserting “subsection
9 (b)(2)(A)”.

10 (4) Section 545(b)(2) of such Code is amended
11 by striking “and (D)” and inserting “(D), and (E)”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to contributions made in taxable
14 years beginning after December 31, 2005, and before Jan-
15 uary 1, 2008.

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