

114TH CONGRESS
1ST SESSION

H. R. 3917

To amend the Internal Revenue Code of 1986 to modify the substantiation rules for the donation of vehicles valued between \$500 and \$2,500.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 3, 2015

Mr. YOUNG of Indiana (for himself, Ms. LINDA T. SÁNCHEZ of California, Mr. NUNES, Mr. TIBERI, Mr. REICHERT, Mr. KELLY of Pennsylvania, Mr. RENACCI, Mr. PAULSEN, Mr. ROSKAM, Mr. REED, Mr. BOUSTANY, Mrs. NOEM, Mrs. BLACK, Mr. KIND, Mr. THOMPSON of California, Mr. LARSON of Connecticut, Mr. NEAL, Mr. RANGEL, Mr. DANNY K. DAVIS of Illinois, Mr. PASCRELL, 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 modify the substantiation rules for the donation of vehicles valued between \$500 and \$2,500.

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. SHORT TITLE.**

4 This Act may be cited as the “Charitable Automobile
5 Red-Tape Simplification Act of 2015” or as the “CARS
6 Act of 2015”.

1 **SEC. 2. MODIFICATION OF SUBSTANTIATION RULES FOR**
2 **THE DONATION OF CERTAIN VEHICLES.**

3 (a) IN GENERAL.—Section 170(f)(12) of the Internal
4 Revenue Code of 1986 is amended to read as follows:

5 “(12) CONTRIBUTIONS OF USED MOTOR VEHI-
6 CLES, BOATS, AND AIRPLANES EXCEEDING \$500 BUT
7 NOT \$2,500.—

8 “(A) IN GENERAL.—In the case of a con-
9 tribution of a qualified vehicle the claimed value
10 of which exceeds \$500 but not \$2,500, para-
11 graph (8) shall not apply and no deduction
12 shall be allowed under subsection (a) for such
13 contribution unless the taxpayer attaches to the
14 return for the taxable year—

15 “(i) a statement that includes—

16 “(I) the make, model, year of
17 manufacture, and condition of the
18 qualified vehicle at time of donation,
19 and

20 “(II) a good faith estimate of the
21 value of the qualified vehicle at time
22 of donation based on a widely avail-
23 able used vehicle pricing guide (as de-
24 termined by the Secretary) which
25 takes into account unusual equipment,

1 unusual mileage, and physical condi-
2 tion of the vehicle, and

3 “(ii) a contemporaneous written ac-
4 knowledgment of the contribution by the
5 donee organization which includes the fol-
6 lowing information:

7 “(I) The name and taxpayer
8 identification number of the donor.

9 “(II) The vehicle identification
10 number or similar number.

11 “(III) The condition of the do-
12 nated vehicle, including any engine
13 trouble, body damage, high mileage,
14 and any excessive wear and tear.

15 “(IV) Whether the donee organi-
16 zation provided any goods or services
17 in consideration, in whole or in part,
18 for the qualified vehicle.

19 “(V) A description and good
20 faith estimate of the value of any
21 goods or services referred to in sub-
22 clause (IV) or, if such goods or serv-
23 ices consist solely of intangible reli-
24 gious benefits (as defined in para-

1 graph (8)(B)), a statement to that ef-
2 fect.

3 “(B) ESTIMATES TO BE BASED ON TRADE-
4 IN VALUE.—

5 “(i) IN GENERAL.—Any estimate
6 made under subparagraph (A)(i)(II) based
7 on a used vehicle pricing guide shall be
8 made on the basis of the trade-in value of
9 the vehicle or such similar valuation as the
10 Secretary may specify.

11 “(ii) TRADE-IN VALUE.—For purposes
12 of this subparagraph, the term ‘trade-in
13 value’ means a valuation based the acquisi-
14 tion of comparable vehicles by dealers from
15 private parties.

16 “(C) INFORMATION TO SECRETARY.—A
17 donee organization required to provide an ac-
18 knowledgment under this paragraph shall pro-
19 vide to the Secretary the information contained
20 in the acknowledgment. Such information shall
21 be provided at such time and in such manner
22 as the Secretary may prescribe.

23 “(D) QUALIFIED VEHICLE.—For purposes
24 of this paragraph, the term ‘qualified vehicle’
25 means any—

1 “(i) motor vehicle manufactured pri-
2 marily for use on public streets, roads, and
3 highways,

4 “(ii) boat, or

5 “(iii) airplane.

6 Such term shall not include any property which
7 is described in section 1221(a)(1).

8 “(E) REGULATIONS OR OTHER GUID-
9 ANCE.—The Secretary shall prescribe such reg-
10 ulations or other guidance as may be necessary
11 to carry out the purposes of this paragraph.”.

12 (b) COORDINATION WITH APPRAISAL REQUIRE-
13 MENTS.—

14 (1) IN GENERAL.—Section 170(f)(11)(A)(ii)(I)
15 of such Code is amended—

16 (A) by inserting “and” before “publicly”,
17 and

18 (B) by striking “and any qualified vehicle
19 described in paragraph (12)(A)(ii) for which an
20 acknowledgment under paragraph (12)(B)(iii)
21 is provided”.

22 (2) COORDINATION OF DOLLAR LIMITATIONS.—
23 Section 170(f)(11)(C) of such Code—

1 (A) is amended by inserting “(\$2,500 in
2 the case of a qualified vehicle as defined in
3 paragraph (12))” after “\$5,000”, and

4 (B) by striking “CONTRIBUTIONS OF MORE
5 THAN \$5,000” in the heading thereof and in-
6 serting “CERTAIN CONTRIBUTIONS”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2015.

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