

116TH CONGRESS  
1ST SESSION

# H. R. 4953

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

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2019

Mr. DANNY K. DAVIS of Illinois (for himself and Mr. HOLDING) 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 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. SHORT TITLE.**

4 This Act may be cited as the “Private Foundation  
5 Excise Tax Simplification Act of 2019”.

1 **SEC. 2. MODIFICATION OF THE TAX RATE FOR THE EXCISE**  
2 **TAX ON INVESTMENT INCOME OF PRIVATE**  
3 **FOUNDATIONS.**

4 (a) **IN GENERAL.**—Section 4940(a) of the Internal  
5 Revenue Code of 1986 is amended by striking “2 percent”  
6 and inserting “1.39 percent”.

7 (b) **ELIMINATION OF REDUCED TAX WHERE FOUN-**  
8 **DATION MEETS CERTAIN DISTRIBUTION REQUIRE-**  
9 **MENTS.**—Section 4940 of such Code is amended by strik-  
10 ing subsection (e).

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

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