

116TH CONGRESS
2D SESSION

H. R. 8817

To provide incentives to make charitable contributions of certain inventory.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 24, 2020

Mr. PANETTA (for himself and Mr. SMITH of Nebraska) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide incentives to make charitable contributions of certain inventory.

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 “Preserving Charitable
5 Incentives Act”.

6 **SEC. 2. INCENTIVES TO MAKE CHARITABLE CONTRIBU-**
7 **TIONS OF CERTAIN INVENTORY.**

8 (a) TEMPORARY INCREASE IN LIMITATION ON
9 QUALIFIED CONTRIBUTIONS.—

10 (1) SUSPENSION OF CURRENT LIMITATION.—

11 Except as otherwise provided in paragraph (2),

1 qualified contributions shall be disregarded in apply-
2 ing subsections (b)(2), (d), and (e)(3)(C)(ii) of sec-
3 tion 170 of the Internal Revenue Code of 1986.

4 (2) APPLICATION OF INCREASED LIMITATION.—

5 For purposes of section 170 of the Internal Revenue
6 Code of 1986—

7 (A) LIMITATION.—Any qualified contribu-
8 tion shall be allowed as a deduction only to the
9 extent that the aggregate of such contributions
10 does not exceed the excess of the taxpayer's
11 taxable income (as determined under paragraph
12 (2) of section 170(b) of such Code) over the
13 amount of all other charitable contributions al-
14 lowed under such paragraph.

15 (B) CARRYOVER.—If the aggregate
16 amount of qualified contributions made in the
17 contribution year (within the meaning of section
18 170(d)(2) of such Code) exceeds the limitation
19 of subparagraph (A), such excess shall be ap-
20 propriately taken into account under section
21 170(b)(2) of such Code subject to the limita-
22 tions thereof.

23 (C) CARRYOVER OF FOOD INVENTORY
24 CONTRIBUTIONS.—If the aggregate amount of
25 qualified contributions described in section

1 170(e)(3)(C)(i) of such Code made in such con-
2 tribution year exceeds the limitation of subpara-
3 graph (A), such excess shall be appropriately
4 taken into account under section
5 170(e)(3)(C)(iii) of such Code subject to the
6 limitations thereof, and the application of sub-
7 paragraph (B) shall be adjusted accordingly.

8 (3) QUALIFIED CONTRIBUTIONS.—For purposes
9 of this subsection, the term “qualified contribution”
10 means any qualified contribution (as defined in sec-
11 tion 170(e)(3)(A) of the Internal Revenue Code of
12 1986) which—

13 (A) is made during a taxable year of the
14 corporation which begins during 2020 or 2021,
15 and

16 (B) does not consist of any drug or biologi-
17 cal product that requires a prescription of a
18 physician for its use by an individual.

19 (4) ELECTION.—A contribution shall be taken
20 into account as a qualified contribution for purposes
21 of this subsection only if the corporation elects (at
22 such time and in such manner as the Secretary may
23 provide) the application of this subsection with re-
24 spect to such contribution.

1 (b) ELECTION TO TREAT QUALIFIED CONTRIBU-
2 TIONS AS MADE IN PRIOR TAXABLE YEAR.—In the case
3 of any qualified contribution (as defined in subsection
4 (a)(3) and determined without regard to this subsection)
5 made during the corporation’s first taxable year beginning
6 in 2020 with respect to which the corporation elects (as
7 such time and in such manner as the Secretary may pro-
8 vide) the application of this subsection—

9 (1) such contribution shall be treated as made
10 in the taxable year preceding such taxable year (and
11 not in such taxable year), and

12 (2) such contribution shall not be treated as a
13 qualified contribution for purposes of subsection (a).

14 (c) CLARIFICATION OF TREATMENT OF INVENTORY
15 COSTS.—The Secretary of the Treasury, or the Sec-
16 retary’s designee, shall clarify, through a notice or other
17 administrative guidance, the treatment of inventory costs
18 as cost of goods sold for purposes of section 170 of the
19 Internal Revenue Code of 1986.

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