

114TH CONGRESS
1ST SESSION

H. R. 644

To amend the Internal Revenue Code of 1986 to permanently extend and expand the charitable deduction for contributions of food inventory.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2015

Mr. REED 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 permanently extend and expand the charitable deduction for contributions of food 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 “Fighting Hunger In-
5 centive Act of 2015”.

1 **SEC. 2. EXTENSION AND EXPANSION OF CHARITABLE DE-**
2 **DUCTION FOR CONTRIBUTIONS OF FOOD IN-**
3 **VENTORY.**

4 (a) PERMANENT EXTENSION.—Section 170(e)(3)(C)
5 of the Internal Revenue Code of 1986 is amended by strik-
6 ing clause (iv).

7 (b) INCREASE IN LIMITATION.—Section 170(e)(3)(C)
8 of such Code, as amended by subsection (a), is amended
9 by striking clause (ii), by redesignating clause (iii) as
10 clause (iv), and by inserting after clause (i) the following
11 new clauses:

12 “(ii) LIMITATION.—The aggregate
13 amount of such contributions for any tax-
14 able year which may be taken into account
15 under this section shall not exceed—

16 “(I) in the case of any taxpayer
17 other than a C corporation, 15 per-
18 cent of the taxpayer’s aggregate net
19 income for such taxable year from all
20 trades or businesses from which such
21 contributions were made for such
22 year, computed without regard to this
23 section, and

24 “(II) in the case of a C corpora-
25 tion, 15 percent of taxable income (as
26 defined in subsection (b)(2)(D)).

1 “(iii) RULES RELATED TO LIMITA-
2 TION.—

3 “(I) CARRYOVER.—If such aggre-
4 gate amount exceeds the limitation
5 imposed under clause (ii), such excess
6 shall be treated (in a manner con-
7 sistent with the rules of subsection
8 (d)) as a charitable contribution de-
9 scribed in clause (i) in each of the 5
10 succeeding years in order of time.

11 “(II) COORDINATION WITH OVER-
12 ALL CORPORATE LIMITATION.—In the
13 case of any charitable contribution al-
14 lowable under clause (ii)(II), sub-
15 section (b)(2)(A) shall not apply to
16 such contribution, but the limitation
17 imposed by such subsection shall be
18 reduced (but not below zero) by the
19 aggregate amount of such contribu-
20 tions. For purposes of subsection
21 (b)(2)(B), such contributions shall be
22 treated as allowable under subsection
23 (b)(2)(A).”.

24 (c) DETERMINATION OF BASIS FOR CERTAIN TAX-
25 PAYERS.—Section 170(e)(3)(C) of such Code, as amended

1 by subsections (a) and (b), is amended by adding at the
2 end the following new clause:

3 “(v) DETERMINATION OF BASIS FOR
4 CERTAIN TAXPAYERS.—If a taxpayer—

5 “(I) does not account for inven-
6 tories under section 471, and

7 “(II) is not required to capitalize
8 indirect costs under section 263A,

9 the taxpayer may elect, solely for purposes
10 of subparagraph (B), to treat the basis of
11 any apparently wholesome food as being
12 equal to 25 percent of the fair market
13 value of such food.”.

14 (d) DETERMINATION OF FAIR MARKET VALUE.—
15 Section 170(e)(3)(C) of such Code, as amended by sub-
16 sections (a), (b), and (c), is amended by adding at the
17 end the following new clause:

18 “(vi) DETERMINATION OF FAIR MAR-
19 KET VALUE.—In the case of any such con-
20 tribution of apparently wholesome food
21 which cannot or will not be sold solely by
22 reason of internal standards of the tax-
23 payer, lack of market, or similar cir-
24 cumstances, or by reason of being pro-
25 duced by the taxpayer exclusively for the

1 purposes of transferring the food to an or-
2 ganization described in subparagraph (A),
3 the fair market value of such contribution
4 shall be determined—

5 “(I) without regard to such inter-
6 nal standards, such lack of market,
7 such circumstances, or such exclusive
8 purpose, and

9 “(II) by taking into account the
10 price at which the same or substan-
11 tially the same food items (as to both
12 type and quality) are sold by the tax-
13 payer at the time of the contribution
14 (or, if not so sold at such time, in the
15 recent past).”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to contributions made after the
18 date of the enactment of this Act.

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