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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to exclude from gross income charitable distributions from certain employer-sponsored retirement plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BEYER introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income charitable distributions from certain employer-sponsored retirement plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCLUSION FROM GROSS INCOME OF CHARITABLE DISTRIBUTIONS FROM CERTAIN EMPLOYER-SPONSORED RETIREMENT PLANS.**
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4 (a) IN GENERAL.—Section 402 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

7 “(m) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

9 “(1) IN GENERAL.—Gross income for any taxable year shall not include so much of the aggregate amount of qualified charitable distributions made with respect to a taxpayer during such taxable year which does not exceed the applicable amount.

14 “(2) QUALIFIED CHARITABLE DISTRIBUTION.—
15 For purposes of this subsection, the term ‘qualified charitable distribution’ means any distribution from a qualified employer plan—

18 “(A) which is made directly by the plan to
19 an organization described in section
20 170(b)(1)(A) (other than any organization described in section 509(a)(3) or any fund or account described in section 4966(d)(2)), and

23 “(B) which is made on or after the date
24 that the individual on whose behalf the distribution is made has attained age 70½.

1 A distribution shall be treated as a qualified chari-
2 table distribution only to the extent that the dis-
3 tribution would be includible in gross income without
4 regard to paragraph (1).

5 “(3) SPECIAL RULES.—

6 “(A) IN GENERAL.—Rules similar to the
7 rules of subparagraphs (C), (E), and (F) of sec-
8 tion 408(d)(8) shall apply for purposes of this
9 subsection.

10 “(B) APPLICATION OF SECTION 72.—
11 Rules similar to the rules of section
12 408(d)(8)(D) shall apply for purposes of this
13 subsection, by taking into account all amounts
14 to which the taxpayer has a nonforfeitable right
15 in all qualified employer plans maintained by
16 the employer in lieu of all amounts in all indi-
17 vidual retirement plans of the individual.

18 “(4) DEFINITIONS.—For purposes of this sub-
19 section—

20 “(A) APPLICABLE AMOUNT.—The term
21 ‘applicable amount’ means the excess of—

22 “(i) the dollar amount in effect under
23 section 408(d)(8) for the taxable year, over

24 “(ii) the total amount of distributions
25 not includible in the gross income of the

1 taxpayer for the taxable year by reason of
2 section 408(d)(8).

3 “(B) QUALIFIED EMPLOYER PLAN.—The
4 term ‘qualified employer plan’ means—

5 “(i) an eligible retirement plan de-
6 scribed in clause (iii) or (vi) of subsection
7 (c)(8)(B), or

8 “(ii) a plan established for its employ-
9 ees by the United States, by a State or po-
10 litical subdivision thereof, or by an agency
11 or instrumentality of any of the fore-
12 going.”.

13 (b) SEPS AND SIMPLES.—Section 408(d)(8)(B) of
14 such Code is amended by striking “(other than a plan de-
15 scribed in subsection (k) or (p))”.

16 (c) 403(b) PLANS.—Section 403 of such Code is
17 amended by adding at the end the following new sub-
18 section:

19 “(d) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—
20 The rules of section 402(m) shall apply to distributions
21 under an annuity contract described in subsection (b).”.

22 (d) 457(b) PLANS.—Section 457(e) of such Code is
23 amended by adding at the end the following new para-
24 graph:

1 “(19) DISTRIBUTIONS FOR CHARITABLE PUR-
2 POSES.—The rules of section 402(m) shall apply to
3 distributions under an eligible deferred compensation
4 plan established and maintained by an eligible em-
5 ployer described in subsection (e)(1)(A).”.

6 (e) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to distributions made in taxable
8 years beginning after the date of the enactment of this
9 Act.