

112TH CONGRESS
1ST SESSION

H. R. 860

To amend the Internal Revenue Code of 1986 to promote charitable donations of qualified vehicles.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2011

Mr. LARSON of Connecticut (for himself, Mr. REICHERT, and Ms. BERKLEY) 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 promote charitable donations of qualified vehicles.

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. TREATMENT OF QUALIFIED VEHICLE DONA-**
4 **TIONS.**

5 (a) IN GENERAL.—Subparagraph (A) of section
6 170(f)(12) of the Internal Revenue Code of 1986 (relating
7 to general rule for contributions of used motor vehicles,
8 boats, and airplanes) is amended to read as follows:

9 “(A) IN GENERAL.—In the case of a con-
10 tribution of a qualified vehicle, paragraph (8)

1 shall not apply and no deduction shall be al-
2 lowed under subsection (a) for such contribu-
3 tion unless the taxpayer substantiates the con-
4 tribution by a contemporaneous written ac-
5 knowledgment of the contribution by the donee
6 organization that meets the requirements of
7 subparagraph (B) and includes the acknowledg-
8 ment with the taxpayer's return of tax which
9 includes the deduction.”.

10 (b) CONTENT OF ACKNOWLEDGMENT.—Subpara-
11 graph (B) of section 170(f)(12) of such Code is amended
12 by striking clauses (iii), (iv), (v), and (vi) and inserting
13 the following:

14 “(iii) In the case of a qualified vehicle
15 that is not sold by the organization—

16 “(I) a certification of the in-
17 tended use or material improvement
18 of the vehicle and the intended dura-
19 tion of such use, and

20 “(II) a certification that the vehi-
21 cle would not be transferred in ex-
22 change for money, other property, or
23 services before completion of such use
24 or improvement.

1 “(iv) In the case of any qualified vehi-
2 cle the claimed value of which does not ex-
3 ceed \$2,500—

4 “(I) the fair market value of the
5 vehicle as determined in accordance
6 with regulations prescribed by the
7 Secretary,

8 “(II) a statement that the de-
9 ductible amount may not exceed the
10 fair market value of the vehicle, and

11 “(III) if the organization sells the
12 vehicle without any significant inter-
13 vening use or material improvement a
14 certification that the vehicle was sold
15 in an arm’s length transaction be-
16 tween unrelated parties.

17 “(v) In the case of any qualified vehi-
18 cle the claimed value of which exceeds
19 \$2,500—

20 “(I) a qualified appraisal as de-
21 fined in subparagraph (E) of para-
22 graph (11) of this section,

23 “(II) a statement that the de-
24 ductible amount may not exceed the
25 appraised value of the vehicle, and

1 “(III) if the organization sells the
2 vehicle without any significant inter-
3 vening use or material improvement a
4 certification that the vehicle was sold
5 in an arm’s length transaction be-
6 tween unrelated parties.”.

7 (c) CONTEMPORANEOUS.—Subparagraph (C) of sec-
8 tion 170(f)(12) of such Code (relating to contempora-
9 neous) is amended by striking “days of—” and all that
10 follows and inserting “days of the contribution of the
11 qualified vehicle.”.

12 (d) REGULATIONS.—Subparagraph (F) of section
13 170(f)(12) of such Code (relating to regulations) is
14 amended by striking the last sentence.

15 (e) CLERICAL AMENDMENT.—Section 170(f)(12) of
16 such Code, as amended by this section, is amended by
17 striking “acknowledgement” each place it occurs and in-
18 serting “acknowledgment”.

19 (f) PENALTY FOR FRAUDULENT ACKNOWLEDG-
20 MENTS.—Section 6720 of such Code (relating to fraudu-
21 lent acknowledgment with respect to donations of motor
22 vehicles, boats, and airplanes) is amended by striking
23 “equal to—” and all that follows and inserting the fol-
24 lowing:

25 “equal to the greater of—

1 “(1) the product of the highest rate of tax spec-
2 ified in section 1 and the claimed value of the vehi-
3 cle, or

4 “(2) \$5,000.”.

5 (g) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to contributions made after the
7 date of the enactment of this Act.

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