

105TH CONGRESS  
1ST SESSION

# H. R. 2969

To amend the Housing and Community Development Act of 1974 to authorize States to use community development block grant amounts provided for nonentitlement areas to offset the costs of State charity tax credits.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1997

Mr. SOUDER introduced the following bill; which was referred to the  
Committee on Banking and Financial Services

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## A BILL

To amend the Housing and Community Development Act of 1974 to authorize States to use community development block grant amounts provided for nonentitlement areas to offset the costs of State charity tax credits.

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 “Charitable Giving  
5       Partnership Act”.

6       **SEC. 2. ELIGIBLE ACTIVITIES.**

7       Section 105(a) of the Housing and Community De-  
8       velopment Act of 1974 (42 U.S.C. 5305(a)) is amended—

1           (1) in paragraph (23), by striking the period at  
2           the end and inserting a semicolon; and

3           (2) by inserting after paragraph (23) the fol-  
4           lowing new paragraph:

5           “(24) to the extent only that amounts for a  
6           State are available under section 106(d)(8) for use  
7           under this paragraph, payment to the State to sup-  
8           plant general revenue losses incurred by the State  
9           under a State law that provides, in the case of an  
10          individual, for a credit against State income tax im-  
11          posed for contributions made in cash by individuals  
12          to any organization—

13                 “(A) that is described in section 501(c)(3)  
14                 of the Internal Revenue Code of 1986;

15                 “(B) that is exempt from tax under section  
16                 501(a) of the Internal Revenue Code of 1986;

17                 “(C) that is organized under the laws of  
18                 the United States or of any State in which the  
19                 organization is qualified to operate;

20                 “(D) that is required, or elects to be treat-  
21                 ed as being required, to file returns under sec-  
22                 tion 6033 of the Internal Revenue Code of  
23                 1986;

24                 “(E) whose predominant activity is—

1 “(i) the provision of direct services to  
2 individuals whose annual incomes generally  
3 do not exceed 185 percent of the official  
4 poverty line (as defined by the Office of  
5 Management and Budget); or

6 “(ii) the provision of—

7 “(I) temporary donations of food  
8 or meals, or

9 “(II) temporary shelter to home-  
10 less individuals,

11 if the location and operation of such serv-  
12 ices are such that the service provider may  
13 reasonably conclude that the beneficiaries  
14 of such services are predominantly individ-  
15 uals described in clause (i);

16 “(F) for which all annual expenditures of  
17 the organization are used to provide the direct  
18 services referred to in subparagraph (E), except  
19 that 10 percent or less of the annual aggregate  
20 expenditures of the organization may be admin-  
21 istrative expenditures in support of direct serv-  
22 ices referred to in subparagraph (E) or expendi-  
23 tures for purposes of fundraising on behalf of  
24 the organization providing direct services re-  
25 ferred to in subparagraph (E); and

1           “(G) that does not engage in activity for  
2           the purpose of influencing legislation, litigation  
3           on behalf of any individual referred to in sub-  
4           paragraph (E), voter registration, political orga-  
5           nizing, public policy advocacy, or public policy  
6           research; and”.

7   **SEC. 3. USE OF STATE AMOUNTS FOR NONENTITLEMENT**  
8           **AREAS.**

9           Section 106(d) of the Housing and Community De-  
10          velopment Act of 1974 (42 U.S.C. 5306(d)) is amended—

11                   (1) in paragraph (2)—

12                           (A) in subparagraph (A)—

13                                   (i) in the matter preceding clause (i),  
14                                   by striking “Amounts allocated under  
15                                   paragraph (1)” and inserting the following:  
16                                   “Any amounts allocated under paragraph  
17                                   (1) for a State that remain after amounts  
18                                   are made available for use under para-  
19                                   graph (8)”;

20                                   (ii) in clause (i), by striking “a State  
21                                   that” and inserting “the State, if the  
22                                   State”;

23                           (B) by striking subparagraph (B) and in-  
24          serting the following new subparagraph:

1       “(B) If a State has not elected to distribute the  
2 amounts allocated under paragraph (1) for the State that  
3 remain after amounts are made available for use under  
4 paragraph (8), the Secretary shall distribute such  
5 amounts.”; and

6               (C) in subparagraphs (C) and (D), by  
7 striking “under paragraph (1)” each place it  
8 appears and inserting the following: “for the  
9 State under paragraph (1) that remain after  
10 amounts are made available for use under para-  
11 graph (8)”;

12              (2) in paragraph (5) (as added by section 811  
13 of the Housing and Community Development Act of  
14 1992 (Public Law 102–550; 106 Stat. 3850)), by  
15 striking “distribution in nonentitlement areas” and  
16 inserting “use under this subsection”;

17              (3) by redesignating the second paragraph des-  
18 ignated as paragraph (5) (as added by section 106(i)  
19 of the Housing and Urban-Rural Recovery Act of  
20 1983 (97 Stat. 1166)) and paragraph (6) as para-  
21 graphs (6) and (7), respectively; and

22              (4) by adding at the end the following new  
23 paragraph:

24       “(8) Of any amounts allocated under paragraph (1)  
25 for a State for any fiscal year, the State may use not more

1 than 25 percent of such amounts for the activity under  
2 section 105(a)(24), and the remainder of the amounts  
3 shall be distributed in accordance with this subsection. In  
4 the case of a State described in paragraph (2)(B), the Sec-  
5 retary shall make such amounts available to the State  
6 upon a determination that the use of such amounts com-  
7 plies with the requirements under section 105(a)(24) and  
8 this title.”.

9 **SEC. 4. STATEMENT OF COMMUNITY DEVELOPMENT OB-**  
10 **JECTIVES.**

11 Section 104(a)(1) is amended by adding at the end  
12 the following new sentence: “In the case of any State re-  
13 ceiving amounts pursuant to section 106(d)(8), the state-  
14 ment of projected uses of funds shall include a statement  
15 of the proposed eligible activity under section 105(a)(24)  
16 for which the amounts will be used and the percentage  
17 of the allocation for the State under section 106(d)(1) to  
18 be used for such activity.”.

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