

106TH CONGRESS  
1ST SESSION

# H. R. 1446

To amend the Internal Revenue Code of 1986 to allow a tax-free distribution from qualified retirement plan to the extent that the distribution is contributed for charitable purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1999

Mr. DUNCAN introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a tax-free distribution from a qualified retirement plan to the extent that the distribution is contributed for charitable purposes.

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. TAX-FREE DISTRIBUTIONS FROM PROFIT-SHAR-**  
4 **ING PENSION PLANS FOR CERTAIN CHARI-**  
5 **TABLE PURPOSES.**

6 (a) IN GENERAL.—Section 401 of the Internal Rev-  
7 enue Code of 1986 (relating to qualified pension, profit-  
8 sharing, and stock bonus plans) is amended by redesi-

1 nating subsection (o) as subsection (p) and by inserting  
2 after subsection (n) the following new subsection:

3 “(o) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

4 “(1) IN GENERAL.—A trust forming part of a  
5 profit-sharing or pension plan shall not be treated as  
6 failing to constitute a qualified trust under this sec-  
7 tion merely because the stock bonus, profit-sharing  
8 or pension plan of which such trust is a part makes  
9 1 or more qualified charitable distributions.

10 “(2) EXCLUSION FROM INCOME.—No amount  
11 shall be includible in the gross income of a plan par-  
12 ticipant by reason of a qualified charitable distribu-  
13 tion (irrespective of whether such qualified chari-  
14 table distribution is made with respect to a chari-  
15 table pledge of such plan participant) from a stock  
16 bonus, profit-sharing or pension plan—

17 “(A) to an organization described in sec-  
18 tion 170(c),

19 “(B) to a charitable remainder annuity  
20 trust or a charitable remainder unitrust (as  
21 such terms are defined in section 664(d)),

22 “(C) to a pooled income fund (as defined  
23 in section 642(c)(5)), or

24 “(D) for the issuance of a charitable gift  
25 annuity (as defined in section 501(m)(5)).

1           “(3) SPECIAL RULES RELATING TO CHARITABLE  
2           TABLE REMAINDER TRUSTS, POOLED INCOME  
3           FUNDS, AND CHARITABLE GIFT ANNUITIES.—

4           “(A) IN GENERAL.—Paragraph (2) shall  
5           apply to a trust, fund, or annuity referred to in  
6           subparagraph (B), (C), or (D) of paragraph (2)  
7           only if no person holds an income interest in  
8           the amounts in the trust, fund, or annuity at-  
9           tributable to such distribution other than one or  
10          more of the following:

11           “(i) the individual for whose benefit  
12           amounts in the stock bonus, or profit-shar-  
13           ing pension plan are maintained and from  
14           which such distribution was made,

15           “(ii) the spouse of such individual, or

16           “(iii) any organization described in  
17           section 170(c)(2).

18          “(B) DETERMINATION OF INCLUSION OF  
19          AMOUNTS DISTRIBUTED.—In determining the  
20          amount includible in the gross income of any  
21          person by reason of a payment or distribution  
22          from a trust referred to in paragraph (2)(B) or  
23          a charitable gift annuity (as so defined), the  
24          portion of any qualified charitable distribution  
25          to such trust or for such annuity which would

1 (but for this paragraph) have been includible in  
2 gross income—

3 “(i) shall be treated as income de-  
4 scribed in section 664(b)(1), and

5 “(ii) shall not be treated as an invest-  
6 ment in the contract.

7 “(C) NO INCLUSION FOR DISTRIBUTION TO  
8 POOLED INCOME FUND.—No amount shall be  
9 includible in the gross income of a pooled in-  
10 come fund (as so defined) by reason of a quali-  
11 fied charitable distribution to such fund.

12 “(4) QUALIFIED CHARITABLE DISTRIBUTION.—  
13 For purposes of this subsection, the term ‘qualified  
14 charitable distribution’ means any transfer or dis-  
15 tribution from amounts in a stock bonus, or profit-  
16 sharing pension plan maintained for the benefit of  
17 an individual—

18 “(A) which is made on or after the date  
19 that such individual has attained age 59½, and

20 “(B) which is made directly from such  
21 plan to—

22 “(i) an organization described in sec-  
23 tion 170(c)(2), or

1                   “(ii) a trust, fund, or annuity referred  
2                   to in subparagraph (B), (C), or (D) of  
3                   paragraph (2).

4                   “(5) DENIAL OF DEDUCTION.—No deduc-  
5                   tion under section 170 shall be allowable to a  
6                   taxpayer for the taxable year for the qualified  
7                   charitable distributions made during such year  
8                   with respect to such taxpayer.

9                   (b) EFFECTIVE DATE.—The amendment made by  
10                  subsection (a) shall apply to distributions made after the  
11                  date of the enactment of this Act.

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