

107TH CONGRESS
1ST SESSION

S. 1375

To amend the Internal Revenue Code of 1986 to allow tax-free distributions from individual retirement accounts for charitable purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2001

Mr. DORGAN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow tax-free distributions from individual retirement accounts 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. SHORT TITLE.**

4 This Act may be cited as the “Public Good IRA Roll-
5 over Act”.

6 **SEC. 2. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RE-**
7 **TIREMENT ACCOUNTS FOR CHARITABLE**
8 **PURPOSES.**

9 (a) IN GENERAL.—Subsection (d) of section 408 of
10 the Internal Revenue Code of 1986 (relating to individual

1 retirement accounts) is amended by adding at the end the
2 following new paragraph:

3 “(8) DISTRIBUTIONS FOR CHARITABLE PUR-
4 POSES.—

5 “(A) IN GENERAL.—No amount shall be
6 includible in gross income by reason of a quali-
7 fied charitable distribution from an individual
8 retirement account to an organization described
9 in section 170(c).

10 “(B) SPECIAL RULES RELATING TO CHARI-
11 TABLE REMAINDER TRUSTS, POOLED INCOME
12 FUNDS, AND CHARITABLE GIFT ANNUITIES.—

13 “(i) IN GENERAL.—No amount shall
14 be includible in gross income by reason of
15 a qualified charitable distribution from an
16 individual retirement account—

17 “(I) to a charitable remainder
18 annuity trust or a charitable remain-
19 der unitrust (as such terms are de-
20 fined in section 664(d)),

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

23 “(III) for the issuance of a chari-
24 table gift annuity (as defined in sec-
25 tion 501(m)(5)).

1 The preceding sentence shall apply only if
2 no person holds an income interest in the
3 amounts in the trust, fund, or annuity at-
4 tributable to such distribution other than
5 one or more of the following: the individual
6 for whose benefit such account is main-
7 tained, the spouse of such individual, or
8 any organization described in section
9 170(e).

10 “(ii) DETERMINATION OF INCLUSION
11 OF AMOUNTS DISTRIBUTED.—In deter-
12 mining the amount includible in the gross
13 income of any person by reason of a pay-
14 ment or distribution from a trust described
15 in clause (i)(I) or a charitable gift annuity
16 (as so defined), the portion of any qualified
17 charitable distribution to such trust or for
18 such annuity which would (but for this
19 subparagraph) have been includible in
20 gross income—

21 “(I) in the case of any such
22 trust, shall be treated as income de-
23 scribed in section 664(b)(1), or

1 “(II) in the case of any such an-
2 nuity, shall not be treated as an in-
3 vestment in the contract.

4 “(iii) NO INCLUSION FOR DISTRIBUTION TO POOLED INCOME FUND.—No
5 amount shall be includible in the gross in-
6 come of a pooled income fund (as so de-
7 fined) by reason of a qualified charitable
8 distribution to such fund.

9 “(C) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the
10 term ‘qualified charitable distribution’ means
11 any distribution from an individual retirement
12 account—
13 account—

14 “(i) which is made on or after the
15 date that the individual for whose benefit
16 the account is maintained has attained age
17 70½, except that with respect to any dis-
18 tribution to a trust, fund, or annuity re-
19 ferred to in subparagraph (B) which is
20 made on or after the date that the indi-
21 vidual for whose benefit the account is
22 maintained has attained age 59½, and

23 “(ii) which is made directly from the
24 account to—
25

1 “(I) an organization described in
2 section 170(e), or

3 “(II) a trust, fund, or annuity re-
4 ferred to in subparagraph (B).

5 “(D) DENIAL OF DEDUCTION.—Qualified
6 charitable distributions shall not be taken into
7 account in determining the deduction under sec-
8 tion 170.”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) shall apply to taxable years beginning after
11 December 31, 2001.

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