

115TH CONGRESS
1ST SESSION

H. R. 894

To amend the Internal Revenue Code of 1986 to exclude from gross income certain interest and money market fund dividend income payments to charity and to modify the requirements relating to the reporting of such payments.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2017

Mr. PAULSEN 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 exclude from gross income certain interest and money market fund dividend income payments to charity and to modify the requirements relating to the reporting of such payments.

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 “Interest for Others
5 Act of 2017”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME OF CERTAIN IN-**
 2 **TEREST AND MONEY MARKET FUND DIVI-**
 3 **DENDS PAID TO CHARITY.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
 5 ter 1 of the Internal Revenue Code of 1986 is amended
 6 by inserting after 139E the following:

7 **“SEC. 139F. INTEREST AND MONEY MARKET FUND DIVI-**
 8 **DENDS DONATED TO CHARITY.**

9 “(a) GENERAL RULE.—In the case of a taxpayer who
 10 is an individual, trust, or estate, gross income for a taxable
 11 year shall not include the amount of a charitable contribu-
 12 tion pursuant to a qualified program made during the tax-
 13 able year in which a calendar year ends.

14 “(b) LIMITATIONS.—

15 “(1) EXCLUSION LIMITED TO INTEREST AND
 16 DIVIDEND INCOME.—The amount excluded from
 17 gross income by subsection (a) for a calendar year
 18 shall not exceed the sum of—

19 “(A) in the case of a deposit in a financial
 20 institution, the lesser of—

21 “(i) the amount of interest paid to the
 22 taxpayer on such deposit for the calendar
 23 year, and

24 “(ii) the aggregate charitable con-
 25 tribution from such deposit during the cal-
 26 endar year, and

1 “(B) in the case of shares in a money mar-
2 ket fund, the lesser of—

3 “(i) the amount of dividends paid with
4 respect to such shares for the calendar
5 year, and

6 “(ii) the aggregate charitable con-
7 tribution from such shares during the cal-
8 endar year.

9 “(2) ACCOUNT LIMITATION.—The amount ex-
10 cluded from gross income by subsection (a) from an
11 account for a calendar year shall not exceed \$50.

12 “(c) QUALIFIED PROGRAM.—For purposes of this
13 section—

14 “(1) IN GENERAL.—The term ‘qualified pro-
15 gram’ means a program adopted by a financial insti-
16 tution or a money market fund (as the case may be)
17 under which—

18 “(A) the owner of a deposit in the financial
19 institution or of shares in the money market
20 fund—

21 “(i) elects to participate in the pro-
22 gram,

23 “(ii) elects the amount of donation
24 from the owner’s deposit or shares, and

1 “(iii) designates an entity described in
2 section 170(c) to receive the donation, and

3 “(B) the financial institution or money
4 market fund makes, directly or through a quali-
5 fied aggregator, a contribution of the amount
6 elected under subparagraph (A)(ii) to the entity
7 designated under subparagraph (A)(iii).

8 “(2) QUALIFIED AGGREGATOR.—

9 “(A) IN GENERAL.—The term ‘qualified
10 aggregator’ means an organization—

11 “(i) which is described in section
12 501(c)(3) and exempt from tax under sec-
13 tion 501(a), and

14 “(ii) the purpose of which is to facili-
15 tate charitable contributions under a quali-
16 fied program by aggregating contributions
17 from deposits and funds and payments to
18 entities designated to receive such pay-
19 ments.

20 “(B) ADMINISTRATIVE COSTS.—An entity
21 shall not fail to be treated as a qualified
22 aggregator solely because the entity retains a
23 portion of contributions from deposits and
24 funds to cover its administrative costs if the

1 qualified aggregator provides in advance a no-
2 tice of—

3 “(i) its intent to retain a portion, and

4 “(ii) the method to be used to cal-
5 culate the amount to be so retained.

6 “(C) SPECIAL RULE REGARDING STATUS
7 TO RECEIVE CHARITABLE CONTRIBUTIONS.—A
8 program shall not fail to be described in para-
9 graph (1) merely because the ultimate recipient
10 of a contribution is ineligible to receive chari-
11 table contributions so long as the qualified
12 aggregator and the financial institution or
13 money market fund (as the case may be) made
14 an initial good faith determination that con-
15 tributions to recipients under the program
16 would be qualified under section 170(c) to re-
17 ceive charitable contributions. For purposes of
18 the preceding sentence, a financial institution
19 or money market fund may rely upon the rep-
20 resentation of the qualified aggregator that the
21 organizations to which distributions will be
22 made qualify under section 170(c) to receive
23 charitable contributions.

24 “(d) OTHER DEFINITIONS.—For purposes of this
25 section—

1 “(1) DEPOSIT.—The term ‘deposit’ means any
2 deposit, withdrawable account, or withdrawable or
3 repurchasable share.

4 “(2) FINANCIAL INSTITUTION.—The term ‘fi-
5 nancial institution’ means—

6 “(A) any bank (as defined in section 581),

7 “(B) any institution described in section
8 591,

9 “(C) any credit union the deposits or ac-
10 counts in which are insured under Federal or
11 State law or are protected or guaranteed under
12 State law, and

13 “(D) any similar institution chartered and
14 supervised under Federal or State law.

15 “(3) MONEY MARKET FUND.—The term ‘money
16 market fund’ means an open-end investment man-
17 agement company registered under the Investment
18 Company Act of 1940 and subject to Rule 2a–7
19 thereof.

20 “(4) CHARITABLE CONTRIBUTION.—The term
21 ‘charitable contribution’ means a charitable con-
22 tribution as defined in section 170(c).”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for part III of subchapter B of chapter 1 of such Code

1 is amended by inserting after the item relating to section
2 139E the following:

“Sec. 139F. Interest and money market fund dividends donated to charity.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to all interest and money market
5 fund dividends paid after December 31, 2016.

6 **SEC. 3. DENIAL OF DEDUCTION OF AMOUNTS EXCLUDED**
7 **FROM INCOME UNDER SECTION 139F.**

8 (a) IN GENERAL.—Section 170(f) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following:

11 “(19) CERTAIN DONATED INTEREST AND
12 MONEY MARKET FUND DIVIDENDS.—Amounts ex-
13 cluded from gross income under section 139F shall
14 not be taken into account as a charitable contribu-
15 tion for purposes of this section.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to all charitable contributions
18 made after December 31, 2016.

19 **SEC. 4. INFORMATION RETURNS.**

20 (a) MONEY MARKET FUNDS.—Section 6042(b)(2) of
21 the Internal Revenue Code of 1986 is amended by striking
22 “or” at the end of subparagraph (A), by striking the pe-
23 riod at the end of subparagraph (B) and inserting “, or”
24 and by adding at the end the following:

1 “(C) which is specifically excluded from
2 gross income of the payee by section 139F(a).”.

3 (b) PAYMENTS OF INTEREST.—Section 6049(b)(2) of
4 such Code is amended by striking “and” at the end of
5 subparagraph (B), by striking the period at the end of
6 subparagraph (C) and inserting “, and”, and by adding
7 at the end the following:

8 “(D) interest which is specifically excluded
9 from gross income of the payee by section
10 139F(a).”.

11 (c) RETURNS REGARDING PAYMENTS EXCLUDED
12 FROM GROSS INCOME UNDER SECTION 139F.—Subpart
13 B of part III of subchapter A of chapter 61 of such Code
14 is amended by inserting after section 6049 the following:

15 **“SEC. 6049A. RETURNS REGARDING INTEREST AND MONEY**
16 **MARKET FUND DIVIDENDS CONTRIBUTED TO**
17 **CHARITY.**

18 “Every person who, during any calendar year—

19 “(1) makes payments of interest or dividends
20 aggregating \$10 or more and who has in effect a
21 qualified program (as defined in section
22 139F(c)(1)), or

23 “(2) is a qualified aggregator (as defined in
24 section 139F(c)(2)) and who, under such a qualified
25 program, receives contributions and makes payments

1 aggregating \$10 or more to any entity described in
2 section 170(c),
3 shall make a return according to the forms or regulations
4 prescribed by the Secretary setting forth the aggregate
5 amount of such payments, and the name and address of
6 the person to whom paid.”.

7 (d) CONFORMING AMENDMENT.—The table of sec-
8 tions for subpart B of part III of subchapter A of chapter
9 61 of such Code is amended by inserting after the item
10 relating to section 6049 the following new item:

“Sec. 6049A. Returns regarding interest and money market fund dividends
contributed to charity.”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to all payments made after Decem-
13 ber 31, 2016.

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