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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to repeal certain rules related to the determination of unrelated business taxable income, to provide that reimbursements for costs of using passenger automobiles for charitable organizations are excluded from gross income, and to make the employer credit for paid family and medical leave available to tax-exempt eligible employers.

IN THE HOUSE OF REPRESENTATIVES

Mrs. CAROLYN B. MALONEY of New York introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to repeal certain rules related to the determination of unrelated business taxable income, to provide that reimbursements for costs of using passenger automobiles for charitable organizations are excluded from gross income, and to make the employer credit for paid family and medical leave available to tax-exempt eligible employers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. REPEAL OF REQUIREMENT THAT UNRELATED**
2 **BUSINESS TAXABLE INCOME BE COMPUTED**
3 **SEPARATELY FOR EACH TRADE OR BUSINESS**
4 **ACTIVITY.**

5 (a) IN GENERAL.—Section 512(a) of the Internal
6 Revenue Code of 1986 is amended by striking paragraph
7 (6).

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall take effect as if included in section
10 13702 of Public Law 115–97.

11 **SEC. 2. MILEAGE REIMBURSEMENTS TO CHARITABLE VOL-**
12 **UNTEERS EXCLUDED FROM GROSS INCOME.**

13 (a) IN GENERAL.—Part III of subchapter B of chap-
14 ter 1 of the Internal Revenue Code of 1986 is amended
15 by inserting after section 139G the following new section:

16 **“SEC. 139H. MILEAGE REIMBURSEMENTS TO CHARITABLE**
17 **VOLUNTEERS.**

18 “(a) IN GENERAL.—Gross income of an individual
19 does not include amounts received from an organization
20 described in section 170(c) as reimbursement of operating
21 expenses with respect to use of a passenger automobile
22 for the benefit of such organization. The preceding sen-
23 tence shall apply only to the extent that such reimburse-
24 ment would be deductible under this chapter if section
25 274(d) were applied—

1 “(1) by using the standard business mileage
2 rate established under such section, and

3 “(2) as if the individual were an employee of an
4 organization not described in section 170(c).

5 “(b) APPLICATION TO VOLUNTEER SERVICES
6 ONLY.—Subsection (a) shall not apply with respect to any
7 expenses relating to the performance of services for com-
8 pensation.

9 “(c) NO DOUBLE BENEFIT.—Subsection (a) shall
10 not apply with respect to any expenses if the individual
11 claims a deduction or credit for such expenses under any
12 other provision of this title.

13 “(d) EXEMPTION FROM REPORTING REQUIRE-
14 MENTS.—Section 6041 shall not apply with respect to re-
15 imbursements excluded from income under subsection
16 (a).”.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 for part III of subchapter B of chapter 1 of such Code
19 is amended by inserting after the item relating to section
20 139G the following new item:

“Sec. 139H. Mileage reimbursements to charitable volunteers.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2017.

1 **SEC. 3. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
2 **ICAL LEAVE MADE AVAILABLE TO TAX-EX-**
3 **EMPT ELIGIBLE EMPLOYERS.**

4 (a) IN GENERAL.—Section 45S of the Internal Rev-
5 enue Code of 1986 is amended by redesignating subsection
6 (i) as subsection (j) and by inserting after subsection (h)
7 the following new subsection:

8 “(i) CREDIT MADE AVAILABLE TO TAX-EXEMPT ELI-
9 GIBLE EMPLOYERS.—

10 “(1) IN GENERAL.—In the case of a tax-exempt
11 eligible employer, there shall be treated as a credit
12 allowable under subpart C (and not allowable under
13 this subpart) the lesser of—

14 “(A) the amount of the credit determined
15 under this section with respect to such em-
16 ployer, or

17 “(B) the amount of the payroll taxes of the
18 employer during the calendar year in which the
19 taxable year begins.

20 “(2) TAX-EXEMPT ELIGIBLE EMPLOYER.—For
21 purposes of this subsection, the term ‘tax-exempt eli-
22 gible employer’ means an eligible employer which is
23 any organization described in section 501(c) which is
24 exempt from taxation under section 501(a).

25 “(3) PAYROLL TAXES.—For purposes of this
26 subsection—

1 “(A) IN GENERAL.—The term ‘payroll
2 taxes’ means—

3 “(i) amounts required to be withheld
4 from the employees of the tax-exempt eligi-
5 ble employer under section 3401(a),

6 “(ii) amounts required to be withheld
7 from such employees under section
8 3101(b), and

9 “(iii) amounts of the taxes imposed on
10 the tax-exempt eligible employer under sec-
11 tion 3111(b).

12 “(B) SPECIAL RULE.—A rule similar to
13 the rule of section 24(d)(2)(C) shall apply for
14 purposes of subparagraph (A).

15 “(C) COORDINATION WITH SMALL EM-
16 PLOYER HEALTH INSURANCE CREDIT.—The
17 payroll taxes taken into account under this sec-
18 tion with respect to any tax-exempt eligible em-
19 ployer for any taxable year shall be reduced by
20 the amount of any credit allowable to such em-
21 ployer under section 45R(f).”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2017.