

116TH CONGRESS  
1ST SESSION

# H. R. 3323

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, to make the employer credit for paid family and medical leave available to tax-exempt eligible employers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2019

Mrs. CAROLYN B. MALONEY of New York (for herself and Mr. CLYBURN) 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 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, to make the employer credit for paid family and medical leave available to tax-exempt eligible employers, and for other purposes.

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. SHORT TITLE.**

2 This Act may be cited as the “Nonprofit Relief Act  
3 of 2019”.

4 **SEC. 2. REPEAL OF REQUIREMENT THAT UNRELATED BUSI-**  
5 **NESS TAXABLE INCOME BE COMPUTED SEPA-**  
6 **RATELY FOR EACH TRADE OR BUSINESS AC-**  
7 **TIVITY.**

8 (a) **IN GENERAL.**—Section 512(a) of the Internal  
9 Revenue Code of 1986 is amended by striking paragraph  
10 (6).

11 (b) **EFFECTIVE DATE.**—The amendment made by  
12 this section shall take effect as if included in section  
13 13702 of Public Law 115–97.

14 **SEC. 3. MILEAGE REIMBURSEMENTS TO CHARITABLE VOL-**  
15 **UNTEERS EXCLUDED FROM GROSS INCOME.**

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

19 **“SEC. 139H. MILEAGE REIMBURSEMENTS TO CHARITABLE**  
20 **VOLUNTEERS.**

21 “(a) **IN GENERAL.**—Gross income of an individual  
22 does not include amounts received from an organization  
23 described in section 170(c) as reimbursement of operating  
24 expenses with respect to use of a passenger automobile  
25 for the benefit of such organization. The preceding sen-  
26 tence shall apply only to the extent that such reimburse-

1 ment would be deductible under this chapter if section  
2 274(d) were applied—

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

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

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

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

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

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for part III of subchapter B of chapter 1 of such Code  
21 is amended by inserting after the item relating to section  
22 139G the following new item:

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

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

1 **SEC. 4. 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 EL-  
9 IGIBLE 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.

1 **SEC. 5. INCREASE IN CORPORATE INCOME TAX RATE.**

2 (a) IN GENERAL.—Section 11(b) of the Internal Rev-  
3 enue Code of 1986 is amended by striking “21 percent”  
4 and inserting “21.06 percent”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2019.

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