

104TH CONGRESS
2D SESSION

S. 1792

To amend the Internal Revenue Code of 1986 to allow companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 22, 1996

Mrs. BOXER (for herself and Mr. CHAFEE) 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 companies to donate scientific equipment to elementary and secondary schools for use in their educational programs, 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,*

3 **SECTION 1. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC**
4 **EQUIPMENT TO ELEMENTARY AND SECOND-**
5 **ARY SCHOOLS.**

6 (a) IN GENERAL.—Subparagraph (B) of section
7 170(e)(4) of the Internal Revenue Code of 1986 is amend-
8 ed to read as follows:

“(B) QUALIFIED RESEARCH OR EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term ‘qualified research or education contribution’ means a charitable contribution by a corporation of tangible personal property (including computer software), but only if—

“(i) the contribution is to—

“(I) an educational organization described in subsection (b)(1)(A)(ii),

“(II) a governmental unit described in subsection (c)(1), or

“(III) an organization described in section 41(e)(6)(B),

“(ii) the contribution is made not later than 3 years after the date the taxpayer acquired the property (or in the case of property constructed by the taxpayer, the date the construction of the property is substantially completed),

“(iii) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for—

“(I) research or experimentation (within the meaning of section 174),

1 or for research training, in the United
2 States in physical or biological
3 sciences, or

4 “(II) in the case of an organiza-
5 tion described in clause (i) (I) or (II),
6 use within the United States for edu-
7 cational purposes related to the pur-
8 pose or function of the organization,

9 “(iv) the original use of the property
10 began with the taxpayer (or in the case of
11 property constructed by the taxpayer, with
12 the donee),

13 “(v) the property is not transferred by
14 the donee in exchange for money, other
15 property, or services, and

16 “(vi) the taxpayer receives from the
17 donee a written statement representing
18 that its use and disposition of the property
19 will be in accordance with the provisions of
20 clauses (iv) and (v).”

21 (b) DONATIONS TO CHARITY FOR REFURBISHING.—
22 Section 170(e)(4) of the Internal Revenue Code of 1986
23 is amended by adding at the end the following new sub-
24 paragraph:

“(D) DONATIONS TO CHARITY FOR REFUR-
BISHING.—For purposes of this paragraph, a
charitable contribution by a corporation shall be
treated as a qualified research or education con-
tribution if—

“(i) such contribution is a contribu-
tion of property described in subparagraph
(B)(iii) to an organization described in sec-
tion 501(c)(3) and exempt from taxation
under section 501(a),

“(ii) such organization repairs and re-
furbishes the property and donates the
property to an organization described in
subparagraph (B)(i), and

“(iii) the taxpayer receives from the
organization to whom the taxpayer contrib-
uted the property a written statement rep-
resenting that its use of the property (and
any use by the organization to which it do-
nates the property) meets the requirements
of this paragraph.”

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4)(A) of section 170(e) of the
Internal Revenue Code of 1986 is amended by strik-
ing “qualified research contribution” each place it

1 appears and inserting “qualified research or edu-
2 cation contribution”.

3 (2) The heading for section 170(e)(4) of such
4 Code is amended by inserting “OR EDUCATION”
5 after “RESEARCH”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 1995.

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