

108TH CONGRESS
1ST SESSION

S. 680

To amend the Internal Revenue Code of 1986 to enhance book donations
and literacy.

IN THE SENATE OF THE UNITED STATES

MARCH 20, 2003

Mr. HATCH 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 enhance
book donations and literacy.

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 DEDUCTION FOR CONTRIBU-**
4 **TIONS OF BOOK INVENTORIES.**

5 (a) IN GENERAL.—Section 170(e)(3) of the Internal
6 Revenue Code of 1986 (relating to certain contributions
7 of ordinary income and capital gain property) is amended
8 by redesignating subparagraph (C) as subparagraph (D)
9 and by inserting after subparagraph (B) the following new
10 subparagraph:

1 “(C) SPECIAL RULE FOR CONTRIBUTIONS
2 OF BOOK INVENTORY FOR EDUCATIONAL PUR-
3 POSES.—

4 “(i) CONTRIBUTIONS OF BOOK INVEN-
5 TORY.—In determining whether a qualified
6 book contribution is a qualified contribu-
7 tion, subparagraph (A) shall be applied
8 without regard to whether—

9 “(I) the donee is an organization
10 described in the matter preceding
11 clause (i) of subparagraph (A), and

12 “(II) the property is to be used
13 by the donee solely for the care of the
14 ill, the needy, or infants.

15 “(ii) AMOUNT OF REDUCTION.—Not-
16 withstanding subparagraph (B), the
17 amount of the reduction determined under
18 paragraph (1)(A) shall not exceed the
19 amount by which the fair market value of
20 the contributed property (as determined by
21 the taxpayer using a bona fide published
22 market price for such book) exceeds twice
23 the basis of such property.

24 “(iii) QUALIFIED BOOK CONTRIBU-
25 TION.—For purposes of this paragraph,

the term ‘qualified book contribution’ means a charitable contribution of books, but only if the requirements of clauses (iv) and (v) are met.

“(iv) IDENTITY OF DONEE.—The requirement of this clause is met if the contribution is to an organization—

“(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

“(II) described in section 501(c)(3) and exempt from tax under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)), which is organized primarily to make books available to the general public at no cost or to operate a literacy program.

“(v) CERTIFICATION BY DONEE.—The requirement of this clause is met if, in addition to the certifications required by subparagraph (A) (as modified by this subparagraph), the donee certifies in writing that—

1 “(I) the books are suitable, in
2 terms of currency, content, and quan-
3 tity, for use in the donee’s educational
4 programs, and

5 “(II) the donee will use the books
6 in its educational programs.

7 “(vi) BONA FIDE PUBLISHED MARKET
8 PRICE.—For purposes of this subpara-
9 graph, the term ‘bona fide published mar-
10 ket price’ means, with respect to any book,
11 a price—

12 “(I) determined using the same
13 printing and edition,

14 “(II) determined in the usual
15 market in which such a book has been
16 customarily sold by the taxpayer, and

17 “(III) for which the taxpayer can
18 demonstrate to the satisfaction of the
19 Secretary that the taxpayer custom-
20 arily sold such books in arm’s length
21 transactions within 7 years preceding
22 the contribution of such a book.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to contributions made after the
3 date of the enactment of this Act

○