

AMENDMENT

OFFERED BY MR. LEWIS OF GEORGIA

At the end of subtitle D of title I, insert the following new sections:

1 **SEC. 1313. CHARITABLE CONTRIBUTIONS OF CERTAIN LIT-**
2 **ERARY, MUSICAL, OR ARTISTIC COMPOSI-**
3 **TIONS.**

4 (a) IN GENERAL.—Subsection (e) of section 170 of
5 the Internal Revenue Code of 1986 (relating to certain
6 contributions of ordinary income and capital gain prop-
7 erty) is amended by adding at the end the following new
8 paragraph:

9 “(8) SPECIAL RULE FOR CERTAIN CONTRIBU-
10 TIONS OF LITERARY, MUSICAL, OR ARTISTIC COM-
11 POSITIONS.—

12 “(A) IN GENERAL.—In the case of a quali-
13 fied artistic charitable contribution—

14 “(i) the amount of such contribution
15 shall be the fair market value of the prop-
16 erty contributed (determined at the time of
17 such contribution), and

1 “(ii) no reduction in the amount of
2 such contribution shall be made under
3 paragraph (1).

4 “(B) QUALIFIED ARTISTIC CHARITABLE
5 CONTRIBUTION.—For purposes of this para-
6 graph, the term ‘qualified artistic charitable
7 contribution’ means a charitable contribution of
8 any literary, musical, artistic, or scholarly com-
9 position, or similar property, or the copyright
10 thereon (or both), but only if—

11 “(i) such property was created by the
12 personal efforts of the taxpayer making
13 such contribution no less than 18 months
14 prior to such contribution,

15 “(ii) the taxpayer—

16 “(I) has received a qualified ap-
17 praisal of the fair market value of
18 such property in accordance with the
19 regulations under this section, and

20 “(II) attaches to the taxpayer’s
21 income tax return for the taxable year
22 in which such contribution was made
23 a copy of such appraisal,

24 “(iii) the donee is an organization de-
25 scribed in subsection (b)(1)(A),

1 “(iv) the use of such property by the
2 donee is related to the purpose or function
3 constituting the basis for the donee’s ex-
4 emption under section 501 (or, in the case
5 of a governmental unit, to any purpose or
6 function described under subsection (c)),

7 “(v) the taxpayer receives from the
8 donee a written statement representing
9 that the donee’s use of the property will be
10 in accordance with the provisions of clause
11 (iv), and

12 “(vi) the written appraisal referred to
13 in clause (ii) includes evidence of the ex-
14 tent (if any) to which property created by
15 the personal efforts of the taxpayer and of
16 the same type as the donated property is
17 or has been—

18 “(I) owned, maintained, and dis-
19 played by organizations described in
20 subsection (b)(1)(A), and

21 “(II) sold to or exchanged by
22 persons other than the taxpayer,
23 donee, or any related person (as de-
24 fined in section 465(b)(3)(C)).

1 “(C) MAXIMUM DOLLAR LIMITATION; NO
2 CARRYOVER OF INCREASED DEDUCTION.—The
3 increase in the deduction under this section by
4 reason of this paragraph for any taxable year—

5 “(i) shall not exceed the artistic ad-
6 justed gross income of the taxpayer for
7 such taxable year, and

8 “(ii) shall not be taken into account in
9 determining the amount which may be car-
10 ried from such taxable year under sub-
11 section (d).

12 “(D) ARTISTIC ADJUSTED GROSS IN-
13 COME.—For purposes of this paragraph, the
14 term ‘artistic adjusted gross income’ means
15 that portion of the adjusted gross income of the
16 taxpayer for the taxable year attributable to—

17 “(i) income from the sale or use of
18 property created by the personal efforts of
19 the taxpayer which is of the same type as
20 the donated property, and

21 “(ii) income from teaching, lecturing,
22 performing, or similar activity with respect
23 to property described in clause (i).

24 “(E) PARAGRAPH NOT TO APPLY TO CER-
25 TAIN CONTRIBUTIONS.—Subparagraph (A) shall

1 not apply to any charitable contribution of any
2 letter, memorandum, or similar property which
3 was written, prepared, or produced by or for an
4 individual while the individual is an officer or
5 employee of any person (including any Govern-
6 ment agency or instrumentality) unless such
7 letter, memorandum, or similar property is en-
8 tirely personal.

9 “(F) COPYRIGHT TREATED AS SEPARATE
10 PROPERTY FOR PARTIAL INTEREST RULE.—In
11 the case of a qualified artistic charitable con-
12 tribution, the tangible literary, musical, artistic,
13 or scholarly composition, or similar property
14 and the copyright on such work shall be treated
15 as separate properties for purposes of this para-
16 graph and subsection (f)(3).”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to contributions made after the
19 date of the enactment of this Act in taxable years ending
20 after such date.

21 **SEC. 1314. CORPORATE RATE INCREASE TO ACHIEVE REV-**
22 **ENUE NEUTRALITY.**

23 (a) IN GENERAL.—The rate of tax specified in sec-
24 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
25 the amendment made by section 3001(a)) shall be in-

1 creased by such number of percentage points as is nec-
2 essary to fully offset the aggregate reduction in Federal
3 revenues which result from the amendment made by sec-
4 tion 1313.

5 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
6 if such provision were an amendment made by section
7 3001(a).

