

116TH CONGRESS
2D SESSION

H. R. 8842

To amend the Internal Revenue Code of 1986 to limit the charitable deduction for certain qualified conservation contributions.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2020

Mr. THOMPSON of California (for himself and Mr. KELLY of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to limit the charitable deduction for certain qualified conservation contributions.

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. SHORT TITLE.**

4 This Act may be cited as the “Charitable Conserva-
5 tion Easement Program Integrity Act of 2020”.

1 **SEC. 2. LIMITATION ON DEDUCTION FOR QUALIFIED CON-**
2 **SERVATION CONTRIBUTIONS MADE BY PASS-**
3 **THROUGH ENTITIES.**

4 (a) IN GENERAL.—Section 170(h) of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following new paragraph:

7 “(7) LIMITATION ON DEDUCTION FOR QUALI-
8 FIED CONSERVATION CONTRIBUTIONS MADE BY
9 PASS-THROUGH ENTITIES.—

10 “(A) IN GENERAL.—In the case of any
11 qualified conservation contribution of any part-
12 nership (whether directly or as a distributive
13 share of such contribution of another partner-
14 ship), no amount of such contribution may be
15 taken into account under this section by any
16 partner of such partnership as a distributive
17 share of such contribution if the aggregate
18 amount so taken into account by such partner
19 for the taxable year would (but for this para-
20 graph) exceed 2.5 times the portion of the ad-
21 justed basis of such partner’s interest in such
22 partnership (determined immediately before
23 such contribution and without regard to section
24 752) which is allocable (under rules similar to
25 the rules of section 755) to the qualified real

1 property interest with respect to which such
2 contribution is made.

3 “(B) EXCEPTION FOR CONTRIBUTIONS
4 OUTSIDE 3-YEAR HOLDING PERIOD.—Subpara-
5 graph (A) shall not apply to a partner’s dis-
6 tributive share of a qualified conservation con-
7 tribution if such contribution is made—

8 “(i) at least 3 years after the date the
9 partnership acquired the entirety of the
10 qualified real property interest with respect
11 to which such contribution is made,

12 “(ii) at least 3 years after the date
13 the partner acquired the partner’s entire
14 interest in the partnership with respect to
15 which such distributive share is deter-
16 mined, and

17 “(iii) if the interest in the partnership
18 making such contribution is held through
19 one or more partnerships, at least 3 years
20 after each such partnership acquired the
21 entirety of the interest in any such part-
22 nership with respect to which such dis-
23 tributive share is determined.

24 “(C) EXCEPTION FOR FAMILY PARTNER-
25 SHIPS.—Subparagraph (A) shall not apply with

1 respect to any qualified conservation contribu-
2 tion made by any partnership if substantially all
3 of the partnership interests in such partnership
4 are held by individuals who are related within
5 the meaning of section 152(d)(2).

6 “(D) APPLICATION TO OTHER PASS-
7 THROUGH ENTITIES.—Except as may be other-
8 wise provided by the Secretary, the rules of this
9 paragraph shall apply to S corporations and
10 other pass-through entities in the same manner
11 as such rules apply to partnerships.

12 “(E) REGULATIONS.—The Secretary shall
13 prescribe such regulations or other guidance as
14 may be necessary to carry out, and prevent the
15 avoidance of, the purposes of this paragraph,
16 including, in the case of tiered partnerships,
17 such reporting to the Secretary and among such
18 partnerships as the Secretary determines appro-
19 priate.”.

20 (b) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendment made by this section shall
23 apply to contributions made in taxable years ending
24 after December 23, 2016.

1 (2) CERTIFIED HISTORIC STRUCTURES.—In the
2 case of contributions the conservation purpose (as
3 defined in section 170(h)(4) of the Internal Revenue
4 Code of 1986) of which is the preservation of a cer-
5 tified historic structure (as defined in section
6 170(h)(4)(C) of such Code), the amendment made
7 by this section shall apply to contributions made in
8 taxable years beginning after December 31, 2018.

9 (3) NO INFERENCE.—No inference is intended
10 as to the appropriate treatment of contributions
11 made in taxable years ending on or before the date
12 specified in paragraph (1) or (2), whichever is appli-
13 cable, or as to any activity not described in section
14 170(h)(7) of the Internal Revenue Code of 1986, as
15 added by this section.

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