To amend the Internal Revenue Code of 1986 to extend the charitable deduction to all taxpayers regardless of whether a taxpayer itemizes deductions in order to encourage and increase charitable giving.

IN THE HOUSE OF REPRESENTATIVES

Mr. DANNY K. DAVIS of Illinois introduced the following bill; which was referred to the Committee on ________________

A BILL

To amend the Internal Revenue Code of 1986 to extend the charitable deduction to all taxpayers regardless of whether a taxpayer itemizes deductions in order to encourage and increase charitable giving.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

3 SECTION 1. UNIVERSAL DEDUCTION FOR CHARITABLE GIVING.

5 (a) In General.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (21) the following new paragraph:
“(22) CHARITABLE CONTRIBUTIONS.—The deduction allowed by section 170 (reduced by the portion thereof disallowed under section 68).”.

(b) APPLICATION OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—Section 68 of such Code is amended by adding at the end the following new subsection:

“(g) APPLICATION TO DEDUCTION FOR CHARITABLE CONTRIBUTIONS.—

“(1) IN GENERAL.—For purposes of this section, the deduction allowed by section 170 shall be treated as an itemized deduction.

“(2) APPLICATION OF LIMITATION TO ABOVE-THE-LINE DEDUCTION.—For purposes of section 62(a)(22), the portion of the deduction allowed by section 170 for any taxable year which is disallowed under this section is the portion bearing the same ratio as—

“(A) the amount of the reduction under subsection (a) for such taxable year, bears to

“(B) the amount of the itemized deductions otherwise allowable for such taxable year.”.
(c) Conforming Amendment.—Section 170(b)(1)(H) of such Code is amended by inserting "this section and" after "computed without regard to".

(d) Effective Date.—

(1) In General.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) Cross Reference.—For suspension of the application of section 68 of the Internal Revenue Code of 1986 (including the amendments to such section made by subsection (b)), see section 68(f) of such Code.