H. R. 7

To amend the Internal Revenue Code of 1986 to repeal certain rules related to the determination of unrelated business taxable income, to provide that reimbursements for costs of using passenger automobiles for charitable organizations are excluded from gross income, and to make the employer credit for paid family and medical leave available to tax-exempt eligible employers.

IN THE HOUSE OF REPRESENTATIVES

Mrs. CAROLYN B. MALONEY of New York introduced the following bill; which was referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to repeal certain rules related to the determination of unrelated business taxable income, to provide that reimbursements for costs of using passenger automobiles for charitable organizations are excluded from gross income, and to make the employer credit for paid family and medical leave available to tax-exempt eligible employers.

Be it enacted by the Senate and House of Representa-

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tives of the United States of America in Congress assembled,
SECTION 1. REPEAL OF REQUIREMENT THAT UNRELATED BUSINESS TAXABLE INCOME BE COMPUTED SEPARATELY FOR EACH TRADE OR BUSINESS ACTIVITY.

(a) IN GENERAL.—Section 512(a) of the Internal Revenue Code of 1986 is amended by striking paragraph (6).

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 13702 of Public Law 115–97.

SEC. 2. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139G the following new section:

"SEC. 139H. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

"(a) IN GENERAL.—Gross income of an individual does not include amounts received from an organization described in section 170(c) as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that such reimbursement would be deductible under this chapter if section 274(d) were applied—
“(1) by using the standard business mileage rate established under such section, and
“(2) as if the individual were an employee of an organization not described in section 170(c).
“(b) Application to Volunteer Services Only.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.
“(c) No Double Benefit.—Subsection (a) shall not apply with respect to any expenses if the individual claims a deduction or credit for such expenses under any other provision of this title.
“(d) Exemption from Reporting Requirements.—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a).”.

(b) Clerical Amendment.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139G the following new item:

“Sec. 139H. Mileage reimbursements to charitable volunteers.”.

c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.
SEC. 3. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE MADE AVAILABLE TO TAX-EXEMPT ELIGIBLE EMPLOYERS.

(a) IN GENERAL.—Section 45S of the Internal Revenue Code of 1986 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

“(i) CREDIT MADE AVAILABLE TO TAX-EXEMPT ELIGIBLE EMPLOYERS.—

“(1) IN GENERAL.—In the case of a tax-exempt eligible employer, there shall be treated as a credit allowable under subpart C (and not allowable under this subpart) the lesser of—

“(A) the amount of the credit determined under this section with respect to such employer, or

“(B) the amount of the payroll taxes of the employer during the calendar year in which the taxable year begins.

“(2) TAX-EXEMPT ELIGIBLE EMPLOYER.—For purposes of this subsection, the term ‘tax-exempt eligible employer’ means an eligible employer which is any organization described in section 501(c) which is exempt from taxation under section 501(a).

“(3) PAYROLL TAXES.—For purposes of this subsection—
“(A) IN GENERAL.—The term ‘payroll taxes’ means—

“(i) amounts required to be withheld from the employees of the tax-exempt eligible employer under section 3401(a),

“(ii) amounts required to be withheld from such employees under section 3101(b), and

“(iii) amounts of the taxes imposed on the tax-exempt eligible employer under section 3111(b).

“(B) SPECIAL RULE.—A rule similar to the rule of section 24(d)(2)(C) shall apply for purposes of subparagraph (A).

“(C) COORDINATION WITH SMALL EMPLOYER HEALTH INSURANCE CREDIT.—The payroll taxes taken into account under this section with respect to any tax-exempt eligible employer for any taxable year shall be reduced by the amount of any credit allowable to such employer under section 45R(f).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2017.