

116TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. DAINES (for himself, Mr. GRASSLEY, and Mr. ROBERTS) introduced the following bill; which was read twice and referred to the Committee on

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 ENTITY.**

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 ENTITY.—

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

1 “(B) LIMITATION TO FIRST-TIER PART-
2 NERSHIPS.—Except as may be otherwise pro-
3 vided by the Secretary, no distributive share of
4 a qualified conservation contribution shall be
5 taken into account under this section if the in-
6 terest in the partnership making the contribu-
7 tion is held through 1 or more partnerships or
8 pass-through entities.

9 “(C) EXCEPTION FOR CONTRIBUTIONS
10 OUTSIDE 3-YEAR HOLDING PERIOD.—Subpara-
11 graphs (A) and (B) shall not apply to a part-
12 ner’s distributive share of a qualified conserva-
13 tion contribution if such contribution is made—

14 “(i) at least 3 years after the date the
15 partnership acquired the entirety of the
16 qualified real property interest with respect
17 to which such contribution is made, and

18 “(ii) at least 3 years after the date
19 the partner acquired the partner’s entire
20 interest in the partnership with respect to
21 which such distributive share is determined
22 (including, for purposes of subparagraph
23 (B), any such interest held through 1 or
24 more partnerships or pass-through enti-
25 ties).

1 “(D) EXCEPTION FOR FAMILY PARTNER-
2 SHIPS.—This paragraph shall not apply with
3 respect to any partnership if substantially all of
4 the partnership interests in such partnership
5 are held by individuals who are related within
6 the meaning of section 152(d)(2).

7 “(E) APPLICATION TO OTHER PASS-
8 THROUGH ENTITIES.—Except as may be other-
9 wise provided by the Secretary, rules similar to
10 the rules of this paragraph shall apply with re-
11 spect to qualified conservation contributions of
12 S corporations and other pass-through entities.

13 “(F) REGULATIONS.—The Secretary shall
14 prescribe such regulations or other guidance as
15 may be necessary to carry out, and prevent the
16 avoidance of, the purposes of this paragraph.”.

17 (b) EFFECTIVE DATE.—

18 (1) IN GENERAL.—Except as otherwise pro-
19 vided in paragraph (2), this section shall apply to
20 contributions made in taxable years ending after De-
21 cember 23, 2016. No inference is intended as to the
22 appropriate treatment of contributions made in tax-
23 able years ending on or before such date or as to
24 any activity not described in section 170(h)(7) of the

1 Internal Revenue Code of 1986, as added by this
2 section.

3 (2) LIMITATION TO FIRST-TIER PARTNER-
4 SHIPS.—Subparagraph (B) of section 170(h)(7) of
5 the Internal Revenue Code of 1986, as added by this
6 section, shall apply to contributions made after the
7 date of the enactment of this Act.