

111TH CONGRESS
1ST SESSION

H. R. 4090

To amend the Internal Revenue Code of 1986 to modify the rate of the excise tax on investment income of private foundations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 2009

Mr. DAVIS of Illinois (for himself, Mr. LEWIS of Georgia, and Mr. TIBERI) 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 modify the rate of the excise tax on investment income of private foundations, and for other purposes.

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. MODIFICATION OF EXCISE TAX ON INVEST-**
4 **MENT INCOME OF PRIVATE FOUNDATIONS.**

5 (a) IN GENERAL.—Subsection (a) of section 4940 of
6 the Internal Revenue Code of 1986 is amended by insert-
7 ing “(1.32 percent in the case of taxable years beginning
8 before January 1, 2015)” after “2 percent”.

1 (b) TEMPORARY ELIMINATION OF REDUCED TAX
2 WHERE FOUNDATION MEETS CERTAIN DISTRIBUTION
3 REQUIREMENTS.—Subsection (e) of section 4940 of such
4 Code is amended by adding at the end the following new
5 paragraph:

6 “(7) APPLICATION.—Paragraph (1) shall not
7 apply for any taxable year beginning after December
8 31, 2009, and before January 1, 2015.”.

9 (c) STUDY.—Not later than December 31, 2013, the
10 Secretary of the Treasury shall conduct and submit to the
11 Congress a study which examines the effect of the change
12 in the rate of tax under section 4940 of the Internal Rev-
13 enue Code of 1986 (as amended by this section) has on
14 the level of grantmaking by private foundations.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2009.

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