



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 1, 2014

**H.R. 4454
Permanent S Corporation Charitable Contributions Act of 2014**

As ordered reported by the House Committee on Ways and Means on April 29, 2014

H.R. 4454 would amend the Internal Revenue Code to make permanent a rule that expired at the end of 2013 that defines how a shareholder in an S corporation adjusts the basis of that S corporation stock to account for that corporation's contributions of property to charity. This legislation would permanently provide that a shareholder reduces S corporation stock basis by an amount equal to the shareholder's pro rata share of the adjusted basis of the contributed property, instead of the pro rata share of the fair market value of the contributed property.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 4454 would reduce revenues, thus increasing federal deficits, by \$662 million over the 2014-2024 period.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending and revenues. Enacting H.R. 4454 would result in revenue losses in each year beginning in 2015. The estimated increases in the deficit are shown in the following table.

JCT has determined that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Logan Timmerhoff. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate of Pay-As-You-Go Effects for H.R. 4454, as ordered reported by the House Committee on Ways and Means on April 29, 2014

	By Fiscal Year, in Millions of Dollars												2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Effects	0	74	53	56	60	63	66	68	71	74	77	306	662	

Source: Staff of the Joint Committee on Taxation.
