



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 5, 2014

H.R. 4619 **Permanent IRA Charitable Contribution Act of 2014**

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

H.R. 4619 would amend the Internal Revenue Code to reinstate and make permanent a rule that had allowed eligible taxpayers to exclude from taxable income certain distributions from their individual retirement accounts (IRAs) that were directly donated to qualifying charities. Under current law, the rule expired for distributions made after December 31, 2013. The tax treatment under H.R. 4619 would apply to taxpayers over the age of 70 years and six months, and would be limited to \$100,000 per taxpayer for any year. Qualified donations would include those to most public charities that would be deductible for taxpayers who itemize their income tax deductions. Taxpayers who excluded amounts from taxable income as a result of the bill would not be allowed to also claim an itemized deduction for such amounts. Amounts donated from IRAs would count for purposes of required minimum distributions.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 4619 would reduce revenues, thus increasing federal budget deficits, by about \$8.4 billion 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. 4619 would result in revenue losses in each year beginning in 2014. 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. 4619, as ordered reported by the House Committee on Ways and Means on May 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	124	691	659	702	775	813	855	895	933	967	1,001	3,764	8,415

Source: Staff of the Joint Committee on Taxation.
