



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

February 5, 2015

**H.R. 644
Fighting Hunger Incentive Act of 2015**

As ordered reported by the House Committee on Ways and Means on February 4, 2015

H.R. 644 would amend the Internal Revenue Code to permanently extend and expand certain expired provisions that provided an enhanced tax deduction for businesses that donated their food inventory to charitable organizations. The enhanced deduction for food inventory contributions expired after December 31, 2014, and applied to sole proprietors, partnerships, and other businesses not organized as C corporations (which are already permanently allowed an enhanced deduction under more general provisions of current law). H.R. 644 would also expand the maximum deduction for all businesses by allowing deductions of food inventory donations up to 15 percent of the net income of the donating organization, an increase from the 10 percent allowed permanently under current law for C corporations and allowed previously for other businesses. In addition, the bill would allow certain businesses to make alternative assumptions about the cost basis and fair market value of donated food inventory.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 644 would reduce revenues, thus increasing federal budget deficits, by about \$2.2 billion over the 2015-2025 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. 644 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 Nathaniel Frentz. The estimate was approved by David Weiner, Assistant Director for Tax Analysis.

CBO Estimate of Pay-As-You-Go Effects for H.R. 644, as ordered reported by the House Committee on Ways and Means on February 4, 2015

	By Fiscal Year, in Millions of Dollars											2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
NET INCREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	59	160	195	202	209	216	223	231	239	248	256	1,041	2,239

Source: Staff of the Joint Committee on Taxation.

Note: Components may not sum to totals because of rounding.
