



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 5, 2014

**H.R. 4719
Fighting Hunger Incentive Act of 2014**

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

H.R. 4719 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, 2013, 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. 4719 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. 4719 would reduce revenues, thus increasing federal budget deficits, by about \$1.9 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. 4719 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. 4719, as ordered reported by the House Committee on Ways and Means on May 29, 2014

By Fiscal Year, in Millions of Dollars

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014- 2019	2014- 2024
NET INCREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Effects	16	205	163	169	175	181	188	194	201	208	215	909	1,915

Source: Staff of the Joint Committee on Taxation.
