

1 (2) NO EFFECT ON DETERMINATION OF GROSS
2 INCOME, ETC.—Except as otherwise provided in this
3 section, the Internal Revenue Code of 1986 shall be
4 applied without regard to any substitution under
5 subsection (a).

6 **SEC. 212. CERTAIN CHARITABLE CONTRIBUTIONS DEDUCT-**
7 **IBLE BY NON-ITEMIZERS.**

8 (a) IN GENERAL.—Section 170 is amended by redес-
9 ignating subsection (p) as subsection (q) and by inserting
10 after subsection (o) the following new subsection:

11 “(p) SPECIAL RULE FOR TAXPAYERS WHO DO NOT
12 ELECT TO ITEMIZE DEDUCTIONS.—In the case of any
13 taxable year beginning in 2021, if the individual does not
14 elect to itemize deductions for such taxable year, the de-
15 duction under this section shall be equal to the deduction,
16 not in excess of \$300 (\$600 in the case of a joint return),
17 which would be determined under this section if the only
18 charitable contributions taken into account in determining
19 such deduction were contributions made in cash during
20 such taxable year (determined without regard to sub-
21 sections (b)(1)(G)(ii) and (d)(1)) to an organization de-
22 scribed in section 170(b)(1)(A) and not—

23 “(1) to an organization described in section
24 509(a)(3), or

1 “(2) for the establishment of a new, or mainte-
2 nance of an existing, donor advised fund (as defined
3 in section 4966(d)(2)).”.

4 (b) PENALTY FOR UNDERPAYMENTS ATTRIBUTABLE
5 TO OVERSTATED DEDUCTION.—

6 (1) IN GENERAL.—Section 6662(b) is amended
7 by inserting after paragraph (8) the following:

8 “(9) Any overstatement of the deduction pro-
9 vided in section 170(p).”.

10 (2) INCREASED PENALTY.—Section 6662 is
11 amended by adding at the end the following new
12 subsection:

13 “(1) INCREASE IN PENALTY IN CASE OF OVERSTATE-
14 MENT OF QUALIFIED CHARITABLE CONTRIBUTIONS.—In
15 the case of any portion of an underpayment which is at-
16 tributable to one or more overstatements of the deduction
17 provided in section 170(p), subsection (a) shall be applied
18 with respect to such portion by substituting ‘50 percent’
19 for ‘20 percent’.”.

20 (3) EXCEPTION TO APPROVAL OF ASSESS-
21 MENT.—Section 6751(b)(2)(A) is amended by strik-
22 ing “or 6655” and inserting “6655, or 6662 (but
23 only with respect to an addition to tax by reason of
24 subsection (b)(9) thereof)”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 63(b) is amended by striking “and”
2 at the end of paragraph (2), by striking the period
3 at the end of paragraph (3) and inserting “, and”,
4 and by adding at the end the following new para-
5 graph:

6 “(4) the deduction provided in section 170(p).”.

7 (2) Section 63(d) is amended by adding “and”
8 at the end of paragraph (1), by striking paragraphs
9 (2) and (3), and by inserting after paragraph (1) the
10 following new paragraph:

11 “(2) any deduction referred to in any para-
12 graph of subsection (b).”.

13 (c) REPEAL OF SUPERSEDED PROVISIONS.—

14 (1) IN GENERAL.—Section 62(a) is amended by
15 striking paragraph (22).

16 (2) CONFORMING AMENDMENT.—Section 62 is
17 amended by striking subsection (f).

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2020.

21 **SEC. 213. MODIFICATION OF LIMITATIONS ON CHARITABLE**
22 **CONTRIBUTIONS.**

23 (a) IN GENERAL.—Subsections (a)(3)(A)(i) and (b)
24 of section 2205 of the CARES Act are each amended by
25 inserting “or 2021” after “2020”.

1 (b) CONFORMING AMENDMENT.—The heading of sec-
2 tion 2205 of the CARES Act is amended by striking
3 “**MODIFICATION OF LIMITATIONS ON CHARITABLE**
4 **CONTRIBUTIONS DURING 2020**” and inserting “**TEM-**
5 **PORARY MODIFICATION OF LIMITATIONS ON CHARI-**
6 **TABLE CONTRIBUTIONS**”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to contributions made after De-
9 cember 31, 2020.

10 **SEC. 214. TEMPORARY SPECIAL RULES FOR HEALTH AND**
11 **DEPENDENT CARE FLEXIBLE SPENDING AR-**
12 **RANGEMENTS.**

13 (a) CARRYOVER FROM 2020 PLAN YEAR.—For plan
14 years ending in 2020, a plan that includes a health flexible
15 spending arrangement or dependent care flexible spending
16 arrangement shall not fail to be treated as a cafeteria plan
17 under the Internal Revenue Code of 1986 merely because
18 such plan or arrangement permits participants to carry
19 over (under rules similar to the rules applicable to health
20 flexible spending arrangements) any unused benefits or
21 contributions remaining in any such flexible spending ar-
22 rangement from such plan year to the plan year ending
23 in 2021.

24 (b) CARRYOVER FROM 2021 PLAN YEAR.—For plan
25 years ending in 2021, a plan that includes a health flexible