

“(A) any matching contribution described in section 401(m)(4)(A), and

“(B) any contribution to an eligible deferred compensation plan (as defined in section 457(b)) by an eligible employer described in section 457(e)(1)(A) on behalf of an employee and on account of such employee’s elective deferral under such plan,

but only if such contribution is nonforfeitable at the time received.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

**SEC. 605. CHARITABLE CONSERVATION EASEMENTS.**

(a) LIMITATION ON DEDUCTION.—

(1) IN GENERAL.—Section 170(h) is amended by adding at the end the following new paragraph:

“(7) LIMITATION ON DEDUCTION FOR QUALIFIED CONSERVATION CONTRIBUTIONS MADE BY PASS-THROUGH ENTITIES.—

“(A) IN GENERAL.—A contribution by a partnership (whether directly or as a distributive share of a contribution of another partnership) shall not be treated as a qualified conservation contribution for purposes of this section if the amount of such contribution exceeds 2.5 times the sum of each partner’s relevant basis in such partnership.

“(B) RELEVANT BASIS.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘relevant basis’ means, with respect to any partner, the portion of such partner’s modified basis in the partnership which is allocable (under rules similar to the rules of section 755) to the portion of the real property with respect to which the contribution described in subparagraph (A) is made.

“(ii) MODIFIED BASIS.—The term ‘modified basis’ means, with respect to any partner, such partner’s adjusted basis in the partnership as determined—

“(I) immediately before the contribution described in subparagraph (A),

“(II) without regard to section 752, and

“(III) by the partnership after taking into account the adjustments described in subclauses (I) and (II) and such other adjustments as the Secretary may provide.

“(C) EXCEPTION FOR CONTRIBUTIONS OUTSIDE 3-YEAR HOLDING PERIOD.—Subparagraph (A) shall not apply to any contribution which is made at least 3 years after the latest of—

“(i) the last date on which the partnership that made such contribution acquired any portion of the real property with respect to which such contribution is made,

“(ii) the last date on which any partner in the partnership that made such contribution acquired any interest in such partnership, and

“(iii) if the interest in the partnership that made such contribution is held through 1 or more partnerships—

“(I) the last date on which any such partnership acquired any interest in any other such partnership, and

“(II) the last date on which any partner in any such partnership acquired any interest in such partnership.

“(D) EXCEPTION FOR FAMILY PARTNERSHIPS.—

“(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to any contribution made by any partnership if substantially all of the partnership interests in such partnership are held, directly or indirectly, by an individual and members of the family of such individual.

“(ii) MEMBERS OF THE FAMILY.—For purposes of this subparagraph, the term ‘members of the family’ means, with respect to any individual—

“(I) the spouse of such individual, and

“(II) any individual who bears a relationship to such individual which is described in subparagraphs (A) through (G) of section 152(d)(2).

“(E) EXCEPTION FOR CONTRIBUTIONS TO PRESERVE CERTIFIED HISTORIC STRUCTURES.—Subparagraph (A) shall not apply to any qualified conservation contribution the conservation purpose of which is the preservation of any building which is a certified historic structure (as defined in paragraph (4)(C)).

“(F) APPLICATION TO OTHER PASS-THROUGH ENTITIES.—Except as may be otherwise provided by the Secretary, the rules of this paragraph shall apply to S corporations and other pass-through entities in the same manner as such rules apply to partnerships.

“(G) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance—

“(i) to require reporting, including reporting related to tiered partnerships and the modified basis of partners, and

“(ii) to prevent the avoidance of the purposes of this paragraph.”.

(2) APPLICATION OF ACCURACY-RELATED PENALTIES.—

(A) IN GENERAL.—Section 6662(b) is amended by inserting after paragraph (9) the following new paragraph: “(10) Any disallowance of a deduction by reason of section 170(h)(7).”.

(B) TREATMENT AS GROSS VALUATION MISSTATEMENT.—Section 6662(h)(2) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at the end the following new subparagraph:

“(D) any disallowance of a deduction described in subsection (b)(10).”.

(C) NO REASONABLE CAUSE EXCEPTION.—Section 6664(c)(2) is amended by inserting “or to any disallowance

of a deduction described in section 6662(b)(10)” before the period at the end.

(D) APPROVAL OF ASSESSMENT NOT REQUIRED.—Section 6751(b)(2)(A) is amended by striking “subsection (b)(9)” and inserting “paragraph (9) or (10) of subsection (b)”.

(3) EXTENSION OF STATUTE OF LIMITATIONS FOR LISTED TRANSACTIONS.—Any contribution with respect to which any deduction was disallowed by reason of section 170(h)(7) of the Internal Revenue Code of 1986 (as added by this subsection) shall be treated for purposes of sections 6501(c)(10) and 6235(c)(6) of such Code as a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011 of such Code.

(b) REPORTING REQUIREMENTS.—Section 170(f) is amended by adding at the end the following new paragraph:

“(19) CERTAIN QUALIFIED CONSERVATION CONTRIBUTIONS.—

“(A) IN GENERAL.—In the case of a qualified conservation contribution to which this paragraph applies, no deduction shall be allowed under subsection (a) for such contribution unless the partnership making such contribution—

“(i) includes on its return for the taxable year in which the contribution is made a statement that the partnership made such a contribution, and

“(ii) provides such information about the contribution as the Secretary may require.

“(B) CONTRIBUTIONS TO WHICH THIS PARAGRAPH APPLIES.—This paragraph shall apply to any qualified conservation contribution—

“(i) the conservation purpose of which is the preservation of any building which is a certified historic structure (as defined in subsection (h)(4)(C)),

“(ii) which is made by a partnership (whether directly or as a distributive share of a contribution of another partnership), and

“(iii) the amount of which exceeds 2.5 times the sum of each partner’s relevant basis (as defined in subsection (h)(7)) in the partnership making the contribution.

“(C) APPLICATION TO OTHER PASS-THROUGH ENTITIES.—Except as may be otherwise provided by the Secretary, the rules of this paragraph shall apply to S corporations and other pass-through entities in the same manner as such rules apply to partnerships.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

(2) NO INFERENCE.—No inference is intended as to the appropriate treatment of contributions made in taxable years ending on or before the date specified in paragraph (1), or as to any contribution for which a deduction is not disallowed by reason of section 170(h)(7) of the Internal Revenue Code of 1986, as added by this section.

(d) SAFE HARBORS AND OPPORTUNITY FOR DONOR TO CORRECT CERTAIN DEED ERRORS.—

(1) IN GENERAL.—The Secretary of the Treasury (or such Secretary’s delegate) shall, within 120 days after the date of

the enactment of this Act, publish safe harbor deed language for extinguishment clauses and boundary line adjustments.

(2) OPPORTUNITY TO CORRECT.—

(A) IN GENERAL.—During the 90-day period beginning on the date of publication of the safe harbor deed language under paragraph (1), a donor may amend an easement deed to substitute the safe harbor language for the corresponding language in the original deed if—

(i) the amended deed is signed by the donor and donee and recorded within such 90-day period, and

(ii) such amendment is treated as effective as of the date of the recording of the original easement deed.

(B) EXCEPTIONS.—Subparagraph (A) shall not apply to an easement deed relating to any contribution—

(i) which—

(I) is part of a reportable transaction (as defined in section 6707A(c)(1) of the Internal Revenue Code of 1986), or

(II) is described in Internal Revenue Service Notice 2017–10,

(ii) which by reason of section 170(h)(7) of such Code, as added by this section, is not treated as a qualified conservation contribution,

(iii) if a deduction for such contribution under section 170 of such Code has been disallowed by the Secretary of the Treasury (or such Secretary's delegate), and the donor is contesting such disallowance in a case which is docketed in a Federal court on a date before the date the amended deed is recorded by the donor, or

(iv) if a claimed deduction for such contribution under section 170 of such Code resulted in an underpayment to which a penalty under section 6662 or 6663 of such Code applies and—

(I) such penalty has been finally determined administratively, or

(II) if such penalty is challenged in court, the judicial proceeding with respect to such penalty has been concluded by a decision or judgment which has become final.

**SEC. 606. ENHANCING RETIREE HEALTH BENEFITS IN PENSION PLANS.**

(a) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) EXTENSION OF TRANSFERS OF EXCESS PENSION ASSETS TO RETIREE HEALTH ACCOUNTS.—Paragraph (4) of section 420(b) is amended by striking “December 31, 2025” and inserting “December 31, 2032”.

(2) DE MINIMIS TRANSFER RULE.—

(A) IN GENERAL.—Subsection (e) of section 420 is amended by adding at the end the following new paragraph: “(7) SPECIAL RULE FOR DE MINIMIS TRANSFERS.—

“(A) IN GENERAL.—In the case of a transfer of an amount which is not more than 1.75 percent of the amount determined under paragraph (2)(A) by a plan which meets the requirements of subparagraph (B), paragraph (2)(B)