

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

## [H.R.1755, To amend title 36, United States Code, to make certain improvements in the congressional charter of the Disabled American Veterans, as amended](#)

### FLOOR SITUATION

On Monday, November 30, 2015, the House will consider [H.R.1755](#), a bill to amend title 36, United States Code, to make certain improvements in the congressional charter of the Disabled American Veterans, under suspension of the rules. H.R. 1755 was introduced on April 13, 2015 by Rep. Jeff Miller (R-FL) and was referred to the Committee on the Judiciary, which ordered the bill reported, by voice vote, on September 17, 2015.

### SUMMARY

H.R. 1755 makes certain changes to the federal charter of the Disabled American Veterans (DAV) to better reflect its mission and to assist it in being reclassified from a Section 501(c)(4) organization to a Section 501(c)(3) organization. This will enable DVA to more effectively seek charitable donations. The bill also provides that, in the event of dissolution, the organization's assets will be transferred to the Department of Veterans Affairs.

### BACKGROUND

Since 1920, Disabled American Veterans (DAV) has been serving veterans who were wounded in the line of duty. The organization supports the enactment of H.R. 1755, which will amend the language in its federal charter to better enable DAV to achieve Section 501(c)(3) tax status; thereby enhancing its fundraising efforts.<sup>1</sup>

The DAV provides free assistance to veterans and their families in obtaining federal benefits and services earned through military service. The organization represents the interests of disabled veterans, their families, their widowed spouses and their orphans before the federal, state and local

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<sup>1</sup> See Judiciary Committee Press Release, [“Statement of House Judiciary Committee Chairman Bob Goodlatte Markup of H.R. 1755, to make certain improvements in the congressional charter of the Disabled American Veterans.”](#) September 17, 2015.

governments. DAV also provides a structure through which disabled veterans can express their compassion for their fellow veterans through a variety of volunteer programs.<sup>2</sup>

According to the DAV, “For decades, DAV has been exempt from federal taxation under Section 501(c)(4) of the Internal Revenue Code [...] Donations to most 501(c)(4) organizations are not deductible for income or estate tax purposes. DAV is a rare exception, as it qualifies to receive deductible contributions as a “war veterans” organization.

“Many donors [...] believe incorrectly that charitable deductions are available only for gifts made to a 501(c)(3) organization, more commonly known as a “public charity.” We believe that this misconception has been limiting DAV’s opportunities to gain corporate support and major gifts, including bequests.

“[H.R. 1755 makes] explicit DAV’s exclusively charitable purpose, explain[s] the educational component of its mission and mandate[s] the assignment of its assets to the Department of Veterans Affairs in the event of dissolution. Inclusion of these provisions in the charter will simplify greatly our conversion to (c)(3) status.”<sup>3</sup>

### **COST**

The Congressional Budget Office (CBO) [estimates](#) enacting H.R. 1755 would not affect direct spending, but would have a negligible effect on revenues; therefore, pay-as-you-go procedures apply. CBO estimates that enacting H.R. 1755 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2026.

### **STAFF CONTACT**

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

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<sup>2</sup> Id.

<sup>3</sup> Id.