

111TH CONGRESS  
1ST SESSION

# H. R. 1245

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for certain home purchases.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2009

Mr. CALVERT introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for certain home purchases.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homebuyer Tax Credit  
5 Act of 2009”.

6 **SEC. 2. CREDIT FOR CERTAIN HOME PURCHASES.**

7 (a) ALLOWANCE OF CREDIT.—Subpart A of part IV  
8 of subchapter A of chapter 1 of the Internal Revenue Code  
9 of 1986 is amended by inserting after section 25D the fol-  
10 lowing new section:

1 **“SEC. 25E. CREDIT FOR CERTAIN HOME PURCHASES.**

2 “(a) ALLOWANCE OF CREDIT.—

3 “(1) IN GENERAL.—In the case of an individual  
4 who is a purchaser of a principal residence during  
5 the taxable year, there shall be allowed as a credit  
6 against the tax imposed by this chapter an amount  
7 equal to 10 percent of the purchase price of the resi-  
8 dence.

9 “(2) DOLLAR LIMITATION.—The amount of the  
10 credit allowed under paragraph (1) shall not exceed  
11 \$15,000.

12 “(3) ALLOCATION OF CREDIT AMOUNT.—At the  
13 election of the taxpayer, the amount of the credit al-  
14 lowed under paragraph (1) (after application of  
15 paragraph (2)) may be equally divided among the 2  
16 taxable years beginning with the taxable year in  
17 which the purchase of the principal residence is  
18 made.

19 “(b) LIMITATIONS.—

20 “(1) DATE OF PURCHASE.—The credit allowed  
21 under subsection (a) shall be allowed only with re-  
22 spect to purchases made during the 1-year period  
23 beginning with the date of the enactment of this sec-  
24 tion.

25 “(2) LIMITATION BASED ON AMOUNT OF  
26 TAX.—In the case of a taxable year to which section

1 26(a)(2) does not apply, the credit allowed under  
2 subsection (a) for any taxable year shall not exceed  
3 the excess of—

4 “(A) the sum of the regular tax liability  
5 (as defined in section 26(b)) plus the tax im-  
6 posed by section 55, over

7 “(B) the sum of the credits allowable  
8 under this subpart (other than this section) for  
9 the taxable year.

10 “(3) ONE-TIME ONLY.—

11 “(A) IN GENERAL.—If a credit is allowed  
12 under this section in the case of any individual  
13 (and such individual’s spouse, if married) with  
14 respect to the purchase of any principal resi-  
15 dence, no credit shall be allowed under this sec-  
16 tion in any taxable year with respect to the pur-  
17 chase of any other principal residence by such  
18 individual or a spouse of such individual.

19 “(B) JOINT PURCHASE.—In the case of a  
20 purchase of a principal residence by 2 or more  
21 unmarried individuals or by 2 married individ-  
22 uals filing separately, no credit shall be allowed  
23 under this section if a credit under this section  
24 has been allowed to any of such individuals in

1           any taxable year with respect to the purchase of  
2           any other principal residence.

3           “(c) PRINCIPAL RESIDENCE.—For purposes of this  
4 section, the term ‘principal residence’ has the same mean-  
5 ing as when used in section 121.

6           “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall  
7 be allowed under this section for any purchase for which  
8 a credit is allowed under section 36 or section 1400C.

9           “(e) SPECIAL RULES.—

10           “(1) JOINT PURCHASE.—

11           “(A) MARRIED INDIVIDUALS FILING SEPA-  
12 RATELY.—In the case of 2 married individuals  
13 filing separately, subsection (a) shall be applied  
14 to each such individual by substituting ‘\$7,500’  
15 for ‘\$15,000’ in subsection (a)(1).

16           “(B) UNMARRIED INDIVIDUALS.—If 2 or  
17 more individuals who are not married purchase  
18 a principal residence, the amount of the credit  
19 allowed under subsection (a) shall be allocated  
20 among such individuals in such manner as the  
21 Secretary may prescribe, except that the total  
22 amount of the credits allowed to all such indi-  
23 viduals shall not exceed \$15,000.

24           “(2) PURCHASE.—In defining the purchase of a  
25 principal residence, rules similar to the rules of

1 paragraphs (2) and (3) of section 1400C(e) (as in  
2 effect on the date of the enactment of this section)  
3 shall apply.

4 “(3) REPORTING REQUIREMENT.—Rules similar  
5 to the rules of section 1400C(f) (as so in effect)  
6 shall apply.

7 “(f) RECAPTURE OF CREDIT IN THE CASE OF CER-  
8 TAIN DISPOSITIONS.—

9 “(1) IN GENERAL.—In the event that a tax-  
10 payer—

11 “(A) disposes of the principal residence  
12 with respect to which a credit was allowed  
13 under subsection (a), or

14 “(B) fails to occupy such residence as the  
15 taxpayer’s principal residence,

16 at any time within 24 months after the date on  
17 which the taxpayer purchased such residence, then  
18 the tax imposed by this chapter for the taxable year  
19 during which such disposition occurred or in which  
20 the taxpayer failed to occupy the residence as a prin-  
21 cipal residence shall be increased by the amount of  
22 such credit.

23 “(2) EXCEPTIONS.—

1           “(A) DEATH OF TAXPAYER.—Paragraph  
2 (1) shall not apply to any taxable year ending  
3 after the date of the taxpayer’s death.

4           “(B) INVOLUNTARY CONVERSION.—Para-  
5 graph (1) shall not apply in the case of a resi-  
6 dence which is compulsorily or involuntarily  
7 converted (within the meaning of section  
8 1033(a)) if the taxpayer acquires a new prin-  
9 cipal residence within the 2-year period begin-  
10 ning on the date of the disposition or cessation  
11 referred to in such paragraph. Paragraph (1)  
12 shall apply to such new principal residence dur-  
13 ing the remainder of the 24-month period de-  
14 scribed in such paragraph as if such new prin-  
15 cipal residence were the converted residence.

16           “(C) TRANSFERS BETWEEN SPOUSES OR  
17 INCIDENT TO DIVORCE.—In the case of a trans-  
18 fer of a residence to which section 1041(a) ap-  
19 plies—

20                   “(i) paragraph (1) shall not apply to  
21 such transfer, and

22                   “(ii) in the case of taxable years end-  
23 ing after such transfer, paragraph (1) shall  
24 apply to the transferee in the same manner

1 as if such transferee were the transferor  
2 (and shall not apply to the transferor).

3 “(D) RELOCATION OF MEMBERS OF THE  
4 ARMED FORCES.—Paragraph (1) shall not  
5 apply in the case of a member of the Armed  
6 Forces of the United States on active duty who  
7 moves pursuant to a military order and incident  
8 to a permanent change of station.

9 “(3) JOINT RETURNS.—In the case of a credit  
10 allowed under subsection (a) with respect to a joint  
11 return, half of such credit shall be treated as having  
12 been allowed to each individual filing such return for  
13 purposes of this subsection.

14 “(4) RETURN REQUIREMENT.—If the tax im-  
15 posed by this chapter for the taxable year is in-  
16 creased under this subsection, the taxpayer shall,  
17 notwithstanding section 6012, be required to file a  
18 return with respect to the taxes imposed under this  
19 subtitle.

20 “(g) BASIS ADJUSTMENT.—For purposes of this sub-  
21 title, if a credit is allowed under this section with respect  
22 to the purchase of any residence, the basis of such resi-  
23 dence shall be reduced by the amount of the credit so al-  
24 lowed.”.

1           (b) CLERICAL AMENDMENT.—The table of sections  
2 for subpart A of part IV of subchapter A of chapter 1  
3 of such Code is amended by inserting after the item relat-  
4 ing to section 25D the following new item:

“Sec. 25E. Credit for certain home purchases.”.

5           (c) SUNSET OF CURRENT FIRST-TIME HOMEBUYER  
6 CREDIT.—

7           (1) IN GENERAL.—Subsection (h) of section 36  
8 of such Code is amended by striking “December 1,  
9 2009” and inserting “the date of the enactment of  
10 the Homebuyer Tax Credit Act of 2009”.

11           (2) ELECTION TO TREAT PURCHASE IN PRIOR  
12 YEAR.—Subsection (g) of section 36 of such Code is  
13 amended by striking “December 1, 2009” and in-  
14 sserting “the date of the enactment of the Home-  
15 buyer Tax Credit Act of 2009”.

16           (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to purchases after the date of the  
18 enactment of this Act.

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